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NEWS SUMMARY

GENERAL
Mayfair raiders net £6m art haul
Sterling easier; Equities, gilts rally

Interpol has been alerted over what may be the world's greatest art theft. Seven paintings, worth a total of £6.25m, were stolen from a house in Mayfair, London, Scotland Yard said.
The paintings—three of them by seventeenth century artist Eugenio Lucas—were protected by a sophisticated network of security beams. The owner had forgotten to switch them on.

North Sea alert
Helicopters evacuated 59 workers from a drilling rig in the Maureen oil field, 180 miles off Aberdeen, after an escape of high-pressure natural gas.
Islam halts
Millions of Moslems stopped work yesterday in a show of support for Palestinians in Israeli-occupied lands.

Jurors go home
Jurors in the Terry May trial in London were discharged after a record-making nine days. They failed to reach a verdict on two of the 14 charges. Sentencing begins today on nine youths convicted of riot in Thornton Heath last summer and one of riot and manslaughter of cripple Mr Terry May.

Crimes of protest
Political offences accounted for 77 per cent of all crimes since the military takeover of Poland in December, the military prosecutor said.
'Oil grab' row
Iraq has accused Syria of confiscating 1.5m barrels of crude oil when it shut down vital pipelines to the Mediterranean last week.

Levesque snub
Premier Rene Levesque of Quebec will stay away when the Queen presents the first all-Canadian constitution in Ottawa on Saturday.

Murder rethink
Greater Manchester police said it may investigate claims, made in a controversial BBC-TV documentary, that two men jailed for murder were innocent.

Chips are down
Playboy Enterprises pulled out of its \$150m (£84.75m) casino business in Atlantic City after it was denied a licence.
Ratons raw deal
Landowners pay 11m more in taxes than they get back from the national budget each year.

Course of action
Students in Ghana have voted in shelve their studies to help the country's revolutionary leaders.
Briefly...
Two ejected safely when Phantom jet crashed in Lincolnshire.
Motorcyclist died when he rode into path of 125 express train near Selby.

CHIEF PRICE CHANGES YESTERDAY
(Rises in pence unless otherwise indicated)
RISERS
Treas. 11pc 2001-04 285 + 4
Anchor Chemical 80 + 6
Alkins Brothers 73 + 3
Blackwood Hodge 24 + 7
Blue Circle 488 + 10
Brooks Tool 171 + 2
Bruntons (Musselburgh) 120 + 9
Dewhurst (L.J.) 98 + 4
Gill & Duffus 143 + 6
Glaxo 592 + 8
H.B. Holdings 182 + 17
Paternon Tanks 87 + 7
Burmah Oil 137 + 6
Blyvoor 332 + 38

DIPLOMATIC SOLUTIONS STILL BEING SOUGHT

Thatcher underlines intention to remain firm on Falklands

MRS THATCHER yesterday won the backing of almost all MPs for a continuation of the Government's policy of pursuing a diplomatic solution to the Falklands dispute backed by military strength.
Opening the third emergency Commons debate on the crisis the Prime Minister underlined the Government's determination to press its tough stance. She announced a build-up of military preparations including the use of a second assault ship HMS Intrepid to add to the amphibious capabilities. Arrangements have also been made to adapt a large cargo ship for the carrying of additional Harriers nearly doubling the number of such planes in the south Atlantic.

Americans flock to 'back Britain' with \$1 button

THE GIRL at the local newsagent has for the past week been wearing a blue and white label button that says, "I'm backing Britain - Falklands".
She will sell you one for a dollar and they are going briskly. Nobody has produced a pro-Argentina button — for the simple reason that there would be absolutely no market for it.
The Reagan Administration may, for its own reasons, be following a neutral policy — officially described as even handed — but the American people, the Press and the Congress are almost unanimously solid behind John Bull. The old voice has been raised in support of Argentina's claim to the islands, most notably that of Mr Jesse Helms, the right-wing senator from North Carolina.

Empire shares suspended as talks start with GUS

EXPLORATORY conversations have begun between Great Universal Stores and catalogue mail order group Empire Stores (Bradford).
Shares in Empire were suspended yesterday as the group's request from the start of stock market dealing at 35p, which values the company at £30m. The price had risen 4p on Tuesday to 86p.
Both groups stated that discussions were continuing "with a view to forming a closer relationship" although Mr Harold Bowman, assistant managing director of GUS also said that "Empire has asked for advice and guidance in difficult times. We are trying to be helpful".
Empire's annual results are to be published next week but profits in the 28 weeks to mid-August last year crashed from £2.07m to £312,000 before tax, as sales volume dropped by about 6 per cent in a difficult retail market.

Brewers near to victory on tied outlets

BRITISH BREWERS appear to have won their battle with the European Commission to keep their tied arrangements for supplying draught and bottled beer. They control 50,000 UK public houses directly, either through tenancies or as managed houses.
The EEC Commission is sending new draft regulations for consideration by the Community's advisory committee on restrictive practices and monopolies, which would extend the tied arrangements on beer sales for a further 10 years.
Tied arrangements on wine and spirits would however lapse under the draft regulations.
The advisory committee will meet by the end of the month to discuss the proposed regulations which also affect particularly petrol retailing.
In proposing the new regulations, the Commission says support given by suppliers to retailers is in the interest of consumers.
Spirits suppliers already expect the spirits tie to go but they do not expect the end of tied arrangements to bring any major change in demand or price.
Present EEC regulations governing the tie expire at the end of this year. Covered by EEC Regulation 57, passed in 1967, they have allowed industries to develop exclusive dealings with retailers to sell only their products if this can be shown to be of benefit to consumers or the industry as a whole.
Public house tenants had been pressing for an end to the tie on beer. The brewers, however, faced with a squeeze on margins, regard their public houses as the mainstay of corporate profits.
Brewers' tied arrangements would be subject to three conditions under the draft regulations:
• The tie would be confined to beer and the retailer would be free to obtain special beers from outside companies where the supplier did not supply them;
• The tie could not last more than 10 years, and in the case of a tenancy agreement would not exceed the duration of the lease;
• Publicans, except for tenants, would be entitled to terminate agreements at the end of five years. Publicans could also be forbidden from dealing in competing products and obliged to concentrate advertising on products to which the agreement related.

£2.1m interim loss at News Intl.

UK section of Mr Rupert Murdoch's newspaper empire yesterday reported a £2.1m loss for the six months ending last December. This compares with profits of £20.5m in the same period a year earlier.
The company is suffering from the acquisition last year of The Times and its associated publications. For the half year period it is understood that Times Newspapers lost £10m.
Full details of the results of the group which includes the Sun and the News of the World show turnover for the period of £183.5m. An extraordinary dividend of £2m is included in the

From the House of BELL'S

Advertisement for Bell's Scotch Whisky. Includes images of bottles and text: "Quality Scotches. Enjoy Scotland's Number One Scotch Whisky and the Dufftown-Glenlivet Pure Malt."
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EUROPEAN NEWS

IG Metall chief yields to union criticism

BY KEVIN DONE IN FRANKFURT

HERR EUGEN LODERER, head of IG Metall, West Germany's most powerful trade union, has bowed to mounting criticism within the trade union movement and has given up his tax-sheltered investments in West Berlin.

Pressure on Herr Loderer and other union leaders holding such investments has been growing in the wake of the scandal over Neue Heimat, the trade union-owned housing management and property development company. In recent weeks, this has led to the sacking of five of the company's seven executive board members, including Herr Albert Victor, the chairman.

The scandal, which first arose over revelations about the private property interests of leading Neue Heimat executives, has deeply shocked the West German union movement.

Three weeks ago Herr Alois Pfeiffer, the official candidate to take over later this year as the next chairman of the West German Trade Union Federation, was forced to withdraw chiefly because of his own tax-sheltered investments in a West Berlin housing development administered by Neue Heimat.

Herr Pfeiffer's candidature had been strongly supported by Herr Loderer. While making a partial exception for West Berlin, trade unionists have traditionally been strongly critical of tax-favoured investments for the "rich."

When the private property interests of some Neue Heimat executives first came to light in February three executive board members, including the chairman, were immediately sacked. Two more, Herr Rolf Dehnkamp and Herr Horst Stadter, have also been dismissed following an initial investigation into the affair launched by the Neue Heimat supervisory board.

A new burst of speculation about a West German cabinet reshuffle has emerged following news that Herr Herbert Wehner, a leader of the ruling Social Democrat Party, has had pneumonia, writes Jonathan Carr in Bonn.

Spokesmen said Herr Wehner (75) was recovering and denied he intended to step down shortly as floor-leader of the Social Democrat group in the Lower House of Parliament. They noted that Herr Wehner—one of the party's ruling "troika" along with Chancellor Helmut Schmidt and Herr Willy Brandt—had been re-elected floor-leader last November and planned to stay the full 18-month term.

Herr Wehner's health has long been poor, however, and word of the latest illness must place a question mark over how long he can now remain at his post.

Herr Schmidt long ago made clear he would consider changing his Cabinet about half-way through the legislative term. That would imply changes in the course of this year.

The report—prepared by a leading West German accounting firm—states that both board members had acted against the company's articles of association, had broken their terms of employment and had infringed corporate law, which forbids leading executives of private companies with limited liability to undertake certain private business activities.

Only Herr Erich Frister and Herr Peter Dresel remain of the original seven-member executive board. The first three executives to be sacked—Herr Albert Victor, Herr Wolfgang Vormbrock and Dr. Harro Iden—have said they will challenge their dismissals at the regional court in Hamburg.

Italians look to trial for answers to Moro affair

BY JAMES BUXTON IN ROME

THE TRIAL began in Rome yesterday—in what is virtually a fortress of a courthouse—of the Red Brigades members who are accused of kidnapping and murdering Sig Aldo Moro, the former Prime Minister, just over four years ago.

Some 68 alleged terrorists are on trial, though nine of them are still on the run. The charges against them include not just the Moro kidnapping on March 16 1978—in connection with which some 23 are accused—but an array of other offences carried out by the Rome unit of the Red Brigades from 1977 onwards. These include murders, ambushes, assaults and robberies.

Yesterday, the trial was adjourned until April 21 after only two and a half hours of preliminaries to enable the defence of some of the more hardline accused to be prepared.

The kidnapping of Sig Moro is the centre-piece of the trial. He was captured in an ambush in which all his five bodyguards were shot dead. For 55 days he was held prisoner, sending out a stream of increasingly pathetic letters calling on politicians to make concessions to obtain his release.

But, despite agonised debates among members of the Government and the political parties, no concessions were made. Sig Moro was shot and his body left on May 9 in the back of a car in the heart of Rome, halfway between the headquarters of the Christian Democrat and Communist parties.

The affair shocked many of those involved and has left a sense of shame and many unanswered questions. At the time, Sig Moro was president of the long-ruling Christian Democrat Party, a nimble politician whose gifts, at least in retrospect, are seen to amount to statesmanship.

When he was seized he had just put together a Government under Sig Giulio Andreotti, a Christian Democrat, but with active Communist support which many people considered the first step to breaking the fundamental impasse of Italian politics. After his death, that Government gradually fell apart. The Communists returned to opposition, the unity of the Christian Democrats deteriorated and Italian politics have since been in confusion. The kidnapping may prove ultimately to be one of the few Red Brigades actions that really changed the course of events in Italy.

The other reason for the special aura that surrounds the Moro case is that the authorities were not only unable to prevent his kidnapping—his car was not of the bullet proof kind that is now standard issue for most leading Italians—but failed to find and release him.

The trial is part of the state's long-delayed revenge for that humiliation. But such is the perceived power and audacity of the Red Brigades—despite impressive inroads made into their



The handcuffed accused are brought into the steel cage inside the courtroom

ranks in recent months—that the trial must take place in a relatively secluded former gymnasium to the north of the city which has been converted into a courthouse and surrounded by watchtowers, a steel stockade and up to 2,000 Carabinieri.

This did nothing to overawe the accused who were led in handcuffs into special steel cages, guarded by an army of impassive Carabinieri.

The prisoners defiantly greeted their former comrades through the bars of the cages, rattled their handcuffs against the rails and stood on benches to wave at the girlfriends and relatives in the public area at the end of the vast hall. This is the hard, early generation of the Red Brigades. None of those accused of direct involvement in the Moro kidnapping has said more to the authorities than to claim to be a political prisoner.

They burst into angry shouts when Antonio Savasta, one of the two leading members of the Red Brigades to turn state's evidence, went nervously into a special cage surrounded with bulletproof glass set aside for the "penitent" terrorists.

Savasta was a leader of the Red Brigades until his arrest last January when police in Padua freed General James Dooder, whose capture and detention he had masterminded.

Since then, he has helped police arrest about 200 of his former colleagues.

The authorities face a long and difficult battle in obtaining convictions against those accused of the Moro kidnapping, in the absence of much strong first-hand evidence. The judge won his first verbal encounter over a procedural point with Galliani yesterday morning but with about a hundred lawyers involved there are many potential legal pitfalls and the trial is expected to last months, if not a year.

The broader question is whether the trial will clear up any of the mysteries surrounding the affair, including the reasons why the terrorists chose to murder Sig Moro and the real motivation for his capture. Some perennially suspicious politicians still nurture dark suspicions whether the authorities really tried hard enough to find and release him.

On the other hand, any allegation of secret negotiations for his release could have serious political repercussions.

Since that time, the police have become far more efficient in dealing with terrorists, and proved it with their success in the Dooder case earlier this year. The Red Brigades have been gravely weakened all over Italy and their mystique badly undermined. But they still exist, and proved it on Monday with a flying raid on the Carabinieri guarding the courthouse. Three men were wounded in the gunfire.

Norway may slip into deficit, says review from OECD

BY DAVID WHITE IN PARIS

NORWAY MAY slip into deficit this year, according to an annual review published today by the Organisation for Economic Co-operation and Development. Thanks to its oil exports, it was one of the few Western countries to show a surplus on its balance of payments current account last year.

OECD secretariat forecasts suggest that the \$2bn surplus of 1981 is likely to turn into a \$500m shortfall because of a

pick-up in imports and falling oil revenue.

Lower oil prices and deteriorating terms of trade could mean that Norway's surplus on the trade account will be more than halved from last year's level of more than \$3bn to under \$1bn.

Gross domestic product is expected to stagnate in real terms after an increase of about 0.7 per cent last year. Excluding oil and shipping, some recovery is expected, but the growth rate

is considered unlikely to exceed 1-1.5 per cent. Unemployment, however, is expected to remain proportionally at about the same as last year's level of about 3 per cent of the labour force, one of the lowest among OECD countries.

The organisation underlines the need to expand non-oil activities and to make them more efficient in order to ensure a continued rise in living standards and maintain the country's employment record.

EIB lends more to Greece

By Victor Walker in Athens

THE EUROPEAN INVESTMENT Bank is to lend Greece \$20.8m towards the cost of a cement plant and coal terminal on the Aegean island of Euboea. The loans are part of a package of \$43.7m in EIB financing for development, agriculture and medium-sized industries, agriculture and energy conservation.

The Heracles Cement company will receive \$9.6m towards the cost of a unit with a capacity of 1.6m tonnes of cement annually, which is being built on Euboea. Its subsidiary, East Mediterranean Coal Terminal, will receive \$6.4m for a terminal in the same area to accommodate ships of up to 70,000 tons.

The terminal will supply coal to the new unit on Euboea and an existing Heracles cement factory at nearby Volos. Heracles will receive a loan of \$4.8m towards the cost of converting the Volos plant to burn coal instead of oil.

The Euboea unit is to replace an old and uneconomic plant in Piraeus, in the context of the Government's efforts to promote industrial decentralisation and reduce air pollution in the capital area.

NOTICE OF REDEMPTION

To the Holders of

The Industrial Bank of Japan Finance Company N.V.

Guaranteed Floating Rate Notes Due November 1, 1982

NOTICE IS HEREBY GIVEN that, pursuant to Paragraph 6(a) of the above Notes, the undersigned has elected to and will redeem on April 30, 1982 all of said Notes at a redemption price of 100 per cent of their principal amount, together with interest accrued to the date of redemption in the amount of \$85.00.

On or after April 30, 1982 said Notes will become due and payable in such currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. The Notes will be paid upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date at the option of the holder at any one of the specified offices of the following paying agents: the office of The Industrial Bank of Japan Trust Company in New York City; the office of The Industrial Bank of Japan, Limited, in London; the office of Industriebank von Japan (Deutschland) Aktiengesellschaft in Frankfurt am Main; the office of The Industrial Bank of Japan (Luxembourg) S.A. and of Banque Internationale à Luxembourg S.A. in Luxembourg; the principal office of Morin Guaranty Trust Company of New York in Brussels and Paris; the main office of Swiss Bank Corporation in Basel; the main office of Banca Commerciale Italiana in Milan; and the main office of Amsterdam-Rotterdam Bank N.V. in Amsterdam.

Payments other than in New York City will be made by US dollar cheque drawn on, or by transfer to a US dollar account maintained by the payee, with a bank in New York City.

Interest accrued to April 30, 1982 will be paid as a part of the redemption price. For purpose of this redemption the Notes should be surrendered with coupons due May 1, 1982 and November 1, 1982 attached.

From and after April 30, 1982 interest on all said Notes will cease to accrue.

THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V.

Dated: March 30, 1982

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This announcement appears as a matter of record only.

NEW ISSUE

March 1982



EUROPEAN INVESTMENT BANK

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8.2% Bonds Due 1992 — Sixth Series (1982)

Daiwa Securities Co. Ltd.

The Nomura Securities Co., Ltd. Yamaichi Securities Company, Limited The Nikko Securities Co., Ltd.

Production resumes at Renault

By Our Paris Staff

THE STATE-OWNED Renault motor company yesterday called 7,000 laid-off employees back to work at its Flins car factory west of Paris after the failure of the two rival left-wing trade unions to rally large-scale support for a strike.

The powerful Communist-led CGT said it had decided against a stoppage. But it warned that it might be forced to do so in one or two weeks.

Despite continuing protests, car production resumed at Flins yesterday for the first time in a week. The company has told the unions it will not negotiate on their list of demands until the situation returns to normal.

The plant, which employs 18,500, has been paralysed by two successive strikes involving different categories of assembly line workers, the majority of them immigrants. The company laid off part of the workforce with effect from Tuesday, following the Easter closure.

Few of the workers affected by the measure responded to the unions' appeal for a massive turnout on Tuesday. The company said yesterday it had lost production of 12,000 Renault-5 and Renault-18 cars because of the strikes.

Bishops attack Hungarian peace groups

By Paul Lendvai in Vienna

HUNGARY'S fledgling peace movement has again been condemned—for the second time in three months—by the country's Roman Catholic bishops. The Church's more assertive policy towards the growing movement of mostly young religious believers follows recent warnings by the head of the State Office for Church Affairs that the Government "will not tolerate religious debates as a pretext for countering violation of the law."

The peace movement, the so-called "Basic Communities," is led and inspired by a priest, Fr Georg Butanyi, and advocates the right to conscientious objection to military service.

The Bishop of Pecs estimates that the movement has more than 20,000 followers and that over 40 priests are involved in its activities. Last autumn two priests were suspended temporarily for preaching sermons against compulsory military service. Five others who protested publicly against the suspensions have been transferred to other parishes.

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AMERICAN NEWS

Playboy decides to sell NJ casino interest

BY OUR NEW YORK STAFF

THE FOUNDER and chairman of Playboy, Mr Hugh Hefner, who was recently found unfit to operate a gambling establishment in the state of New Jersey, has decided to sell Playboy's interest in a new casino hotel there. The casino, in Atlantic City, was completed only last year at a cost of \$150m, of which \$40m was contributed by Playboy.

U.S. budget talks put off until weekend

The Reagan Administration and congressional negotiators have failed to agree on a budget compromise and have postponed further bargaining sessions until the end of the week, AP-DJ reports from Washington.

Breakdown in Salvador coalition talks

Negotiations to form a new Government in El Salvador have been blocked by demands from the Christian Democrats for a major share of power, Renter reports from San Salvador.

Inquiry blames army

A Dutch Foreign Ministry report into the death of a four-man television crew in El Salvador has found that they were killed by the Salvadorean army but there was no definite proof that they had been lured into a trap.

Debray starts tour

The Mitterrand Administration's senior adviser on Latin America, M Regis Debray, left yesterday for a 10-day visit to Mexico and Central America; AP reports from Paris. M Debray is to include Panama and Nicaragua in his itinerary.

Steelmakers next

U.S. steelmakers will soon follow the motor industry's lead in seeking cost-saving concessions from the unions in their labour agreement, AP-DJ reports from New York. Mr Richard Smith, an executive vice president of Pittsburgh-based National Steel Corporation, said yesterday: "There isn't any doubt that the industry will be seeking concessions from the United Steelworkers Union, just as auto-makers have done recently with the United Auto Workers Union."

Canada postpones

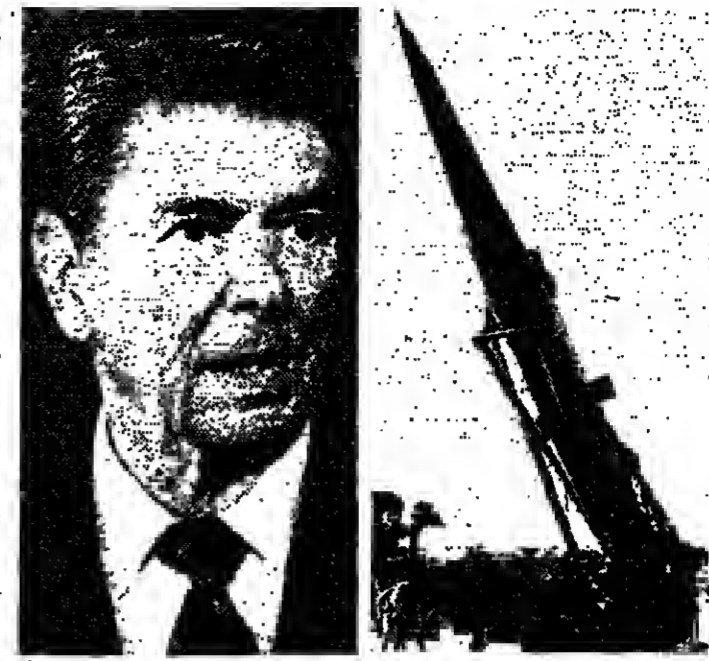
PRESSURE FROM the business community has forced Mr Alan MacEachern, Canada's Minister of Finance, to announce a delay of at least six months in implementing a budget proposal on federal sales tax. Victor Mackie reports from Ottawa. He had proposed to start collecting federal sales tax at wholesale level instead of at the manufacturing level from July 1. Implementation has now been put off to January 1 at the earliest.

Reginald Dale, in Washington, examines the new protest which is sweeping the U.S. 'Brush fire' for a nuclear arms freeze

OPPOSITION TO the nuclear arms race is suddenly sweeping across the U.S. like a brush fire although nobody is quite sure why. The strength of the movement has both caught the hawkish Reagan Administration off balance and taken the campaign's own leaders by surprise. Activists now believe that the sessions until the end of the week, AP-DJ reports from Washington.

The Reagan Administration and congressional negotiators have failed to agree on a budget compromise and have postponed further bargaining sessions until the end of the week, AP-DJ reports from Washington.

The astonishing success of the "Freeze" movement has come as a surprise to so many largely because the conventional wisdom was that, in electing Mr Reagan in 1980, the country had swung sharply to the right. Mr Reagan remains convinced that he was elected to return the U.S. not least in the strategic nuclear field, so as to catch up with a now superior Soviet Union. Only thereafter, he has repeated time and again, will Moscow be prepared to sit down at the bargaining table for serious arms control talks.



Mr Reagan (left) is facing growing opposition to his nuclear armory, a sample of which is seen on display in West Germany (right).

The latest manifestation of the movement's growing support was a "peace walk" against nuclear weapons in Chicago on Easter Saturday, which drew upwards of 20,000 demonstrators—a smallish figure perhaps by West German standards, but colossal in traditional U.S. terms. "We believe that all men are created equal, not created equal," said the Master of Ceremonies.

The demonstration, timed to coincide with the 40th anniversary of the splitting of the atom, at Chicago University, came to the end of a short period of weeks in which:

- Two bipartisan resolutions calling for a "freeze" of nuclear weapons have been tabled in Congress, with greater support for the tougher resolution.
- Administration members ranging from Mr Alexander Haig, the State Secretary, and Mr Casper Weinberger, the Defense Secretary, to President Ronald Reagan himself, have been forced onto the defensive over the Administration's build-up of nuclear weapons.
- The U.S. media has suddenly begun to take the issue seriously, and has started devoting heavy coverage to its political implications.
- Four respected former senior officials have called on the U.S. and its Nato allies to

commit themselves to the "non-first-use" of nuclear weapons in Europe—in accordance with a long-standing Soviet proposal—and to strengthen the West's conventional forces instead.

So far, however, the grass roots movement has rallied to the slogan of the nuclear "freeze" rather than the more abstruse concept of "non-first-use."

And yet, not only did the "Freeze" movement start getting under way mainly at local level in the months immediately before Mr Reagan's election, many of those who have signed Freeze petitions or voted for Freeze resolutions in town hall meetings are staunch Republicans and Reagan supporters.

There lies the fundamental difference between the Freeze campaign and the Civil Rights and Vietnam movements of the 1960s.

Freeze activists are predominantly serious professional people, like doctors, nurses, scientists, teachers and lawyers—even farmers. The Movement lacks the student-oriented draft dodging "peacenik" flavour of the Vietnam marches, though many of today's anti-nuclear campaigners were active in the anti-Vietnam war crusade in their younger days. Many of the headquarters of these fast-growing professional pressure groups have sprung up in Boston, reflecting the movement's initial origins in New England.

Starting from small beginnings in Western Massachusetts two years ago, Freeze resolutions have now been passed by 309 town meetings in New England, 33 City councils around the country, 10 county councils, seven state legislatures and one house in the legislatures of four other states. There are organised Freeze efforts of varying effectiveness in 43 of the 50 states and 278 of the House of Representatives' 435 electoral districts.

Ground Zero, a movement started by Mr Roger Molander, a former member of the National Security staff in the Ford and Carter Administrations responsible for strategic arms limitation talks (SALT), feels confident enough to have

designated next week as "Ground Zero week." It will organise educational activities, about nuclear warfare and its effects in 150 major metropolitan centres more than 500 smaller communities and on 330 college campuses.

Awakening the general public to the horrors of nuclear war is one of the movement's main purposes. Not all of the groups involved specifically recommend the adoption of a "freeze"—Ground Zero's aim for example, is strictly educational—and those who advocate freezes are not always talking about precisely the same thing.

Senator Edward Kennedy reportedly woke up to the strength of feeling in his native Massachusetts during the Christmas Congressional recess. In conjunction with Republican Senator Mark Hatfield of

Oregon, he tabled a Freeze resolution in Congress last month, which already has 24 supporters in the 100-strong Senate and 166 in the House. Their resolution calls on the U.S. and the Soviet Union to "pursue a complete halt to the arms race" and decide when and how to achieve a mutual and verifiable freeze on the testing, production and further deployment of nuclear warheads.

A rival resolution sponsored by Senators Henry Jackson, of Washington, and John Warner, of Virginia, does not go so far: it calls only for a long-term freeze.

Political analysts have been hard put to explain the reasons for the movement's extraordinary success but it is probably due to what one writer has called: "a phenomenon comparable to a chemical reaction that could only have taken place after a fortuitous combination of necessary ingredients."

Among these ingredients are undoubtedly the growing public realisation of the vulnerability of the U.S. continental land mass to Soviet attack—for the first time in U.S. history. This awareness has been fostered by Mr Reagan's frequent references to Soviet superiority and the "window of vulnerability" of U.S. land-based missile forces in the 1980s. It has been further compounded by the Reagan Administration's loose talk about nuclear war fighting and its failure to start strategic arms negotiations with the Soviet Union.

At the same time, there have recently been an increasing number of television programmes about nuclear holocaust and frequent newscasts of large anti-nuclear demonstrations in Western Europe. Vietnam set an important precedent in that it was the first time a major national security policy was overturned by popular discontent.

Alberta announces oil and gas royalty cuts

BY VICTOR MACKIE IN OTTAWA

THE ALBERTA provincial government has announced a package of oil and gas royalty cuts and special grants to stimulate petroleum development in the province over the next five years.

Mr Peter Lougheed, the provincial Premier, said yesterday that the package would increase industry revenues by C\$5.4bn (\$2.5bn) over the life of the Alberta-Ottawa energy agreement which expires in 1986.

Royalty reductions for conventional crude oil and natural gas and a royalty holiday for certain gas wells are expected to generate C\$3.7bn. Also offered are special financial measures in 1982-83 estimated at C\$1.18bn and others in 1984-1986 estimated at C\$655m. "Our overriding objective is to improve in a significant way the cash flow position of the Alberta-based oil and natural gas industry," Mr Lougheed said.

The Alberta Government has cut its average royalty rates on oil and gas to 38 per cent and 34 per cent respectively and as a result the industry stands to gain almost C\$1.3bn this year.

The Premier said the full beneficial effect of the package would be limited until full production of western Canadian crude oil was achieved.

Mr Glen Dumett, chairman of the Canadian Petroleum Association, said the package contained almost everything the association had asked for in consultations with the provincial government.

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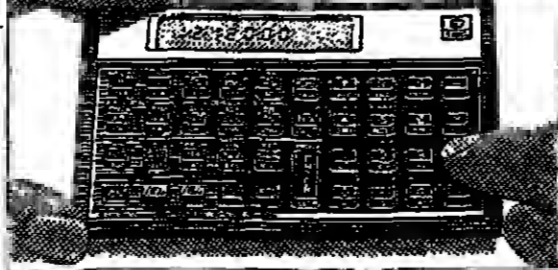
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THE FALKLANDS CRISIS

Britain 'not prepared to compromise islanders' birthright of democracy and liberty,' Thatcher warns

Massive Commons support for task force

BY IVOR OWEN

THE HOUSE OF Commons last night gave the Government almost total support for the build up of naval strength in the South Atlantic to back diplomatic efforts to end Argentina's illegal occupation of the Falkland Islands.

Only a tiny minority of Labour MPs voiced dissent. One Tory expressed reservations. The Prime Minister told MPs, recalled from the Easter recess for the third debate on the crisis in the last 10 days, that the next visit to Buenos Aires by Mr Alexander Haig, the U.S. Secretary of State, will be "crucial."

To cheers she declared: "Our diplomacy is backed by strength, and we have the resolve to use that strength if necessary." In another impressive speech which won approving cheers from Government supporters as well as from the Opposition benches, Mr Michael Foot, the Labour leader, stressed that without the presence of the British task force there would be no prospect of negotiations with the Argentine junta.

Dismissal of the demands made by some Labour critics for the recall of the task force was suggested that they put too great a store on the "good nature" of General Galtieri, the Argentine dictator. But Mr Foot warned against the precipitous use of force, and bluntly told the Prime Minister that crucial though the next round of talks by Mr Haig might be it should not mark the end of the diplomatic road.

"Crucial does not mean final," he emphasised to cheers from all sections of the Parliamentary Labour Party. Opening the debate, Mrs Thatcher paid tribute to Mr Haig's tireless efforts to promote a settlement of the crisis through shuttle diplomacy, and made it clear that there had been some straight talking during his visits to No 10 Downing Street.

"Some things we could not consider because they flouted our basic principles," she said to a roar of agreement from Government supporters. The Prime Minister revealed that Mr Haig's delayed departure from London followed the receipt of proposals from Argentina which "we could not possibly have accepted."

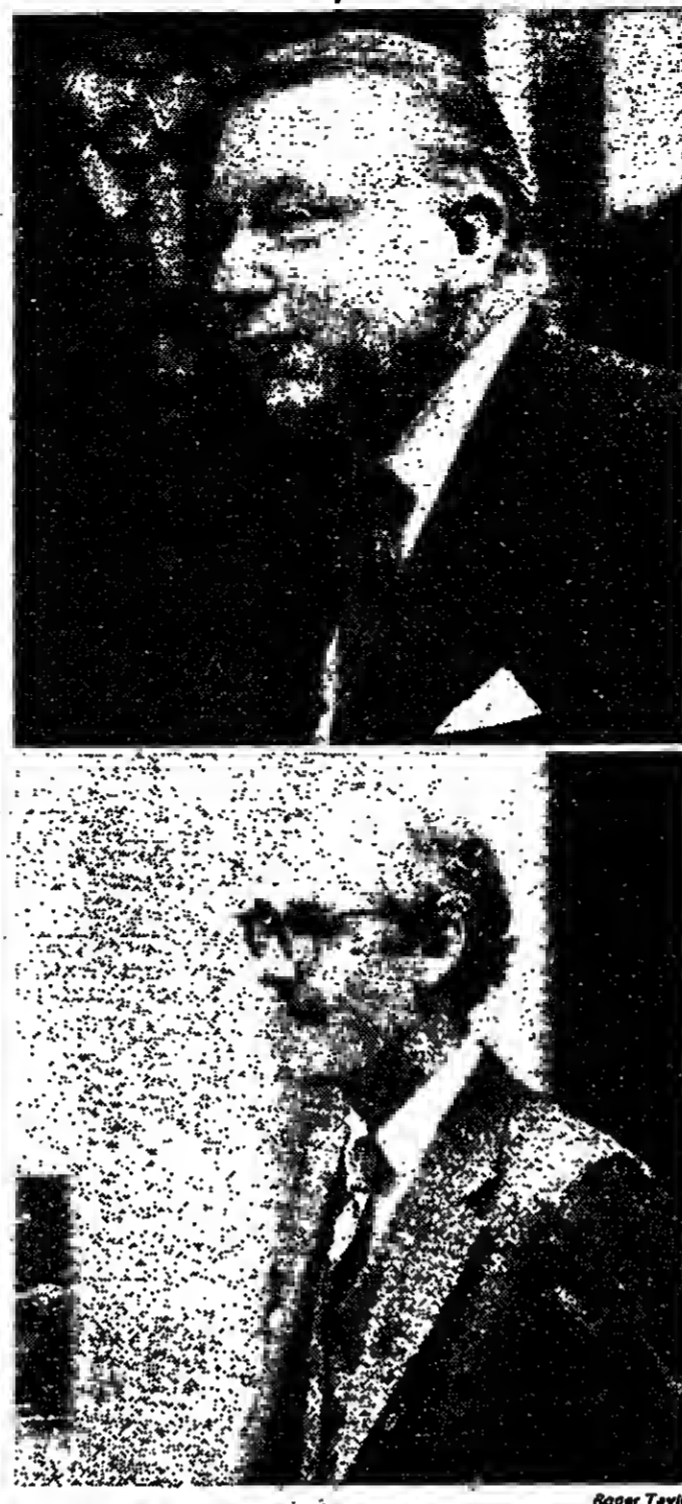
By Tuesday, she said, the position appeared to have eased, and further ideas were under consideration. Mrs Thatcher described the discussions with the U.S. Secretary as "complex, changing and difficult." She explained that this reflected the fact that the talks were taking place between a military junta and a democratic government of a free people — one which is not prepared to compromise that democracy and that liberty which the British Falkland Islanders regard as their birthright.

Underlining the Government's view that diplomatic efforts are more likely to succeed when backed by military strength, the Prime Minister spelt out the implications of the establishment of a 200-mile war zone around the Falklands from dawn on Monday. "From that time any Argentine warships and Argentine naval auxiliaries found within this zone are treated as hostile and are liable to be attacked by British forces."

"We see this measure as the first step towards achieving the withdrawal of Argentine forces. It appears to have exerted influence on Argentina whose navy has been concentrated outside the zone." The Prime Minister warned: "If the zone is challenged we shall take that as the clearest evidence that the search for a peaceful solution has been abandoned. We shall then take the necessary action. Let no-one doubt that."



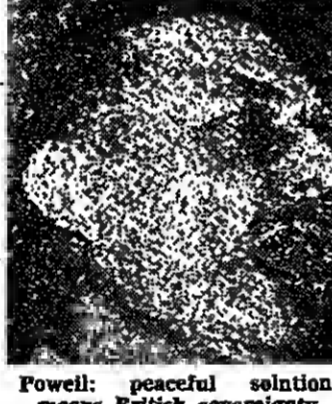
BEST FOOT FORWARD: Mrs Thatcher, Foreign Secretary Mr Francis Pym (above) and Defence Secretary Mr John Nott for the Commons yesterday.



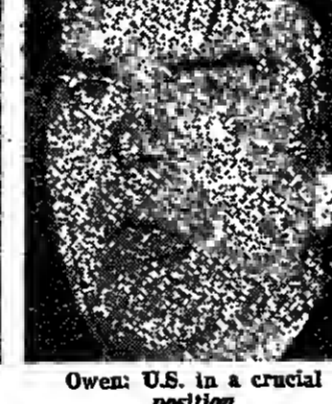
BEST FOOT FORWARD: Mrs Thatcher, Foreign Secretary Mr Francis Pym (above) and Defence Secretary Mr John Nott for the Commons yesterday.



Foot: UN vote must be enforced



Powell: peaceful solution means British sovereignty



Owen: U.S. in a crucial position



Dalyell: pressed for assurances on air cover



Hart: pause for peace should start now

with any attack by land-based Argentine aircraft. Mrs Thatcher told him: "I have every confidence in all aspects of this task force." She pointed out that the arrangements in hand to adapt a large cargo ship for the seafit of additional Harrier aircraft would nearly double the size of the Harrier force in the South Atlantic. "All these aircraft have a formidable air combat and ground attack capability," she said.

The Prime Minister reaffirmed that Britain's objective was that the people of the islands should be free to determine their own way of life and their own future. "The wishes of the islanders must be paramount. But they cannot be freely expressed, let alone implemented, while the present illegal Argentine occupation continues."

Mrs Thatcher said it was for these reasons that Britain's immediate goal in recent days had been to secure the withdrawal of all Argentine forces in accordance with Resolution 502 of the United Nations Security Council, and to secure the restoration of British administration. Britain's strategy had been based on a combination of diplomatic, military and economic pressure.

She acknowledged the help Britain had been accorded by the widespread disapproval of the use of force which the Argentine aggression had aroused across the world. In his talks with Mr Haig the Government had made it clear that "withdrawal of the invaders' troops must come first, and that the sovereignty of the islands was not affected by the act of invasion. It had also been made clear that when it came to future negotiations what mattered most was what the islanders themselves wished."

Dealing with the economic pressure exerted against Argentina, the Prime Minister said the most significant measure had been the decision by Britain's nine partners to stop all imports from Argentina as well as enforcing an arms embargo. She highlighted this as a very important step, unprecedented in its scope and the rapidity of the decision. "The effect on Argentina's economy of this measure will therefore be considerable and cannot be without influence on her leaders in the present crisis," she said.

The Prime Minister also warmly praised Commonwealth countries, including Australia, New Zealand and Canada, for rallying to Britain's support by banning Argentinian imports. She contrasted the lack of support shown for Argentina, Mrs Thatcher took note that only the Soviet Union had shifted its position towards the military junta in Buenos Aires. "We can only guess at the cynical calculations which lie behind this move." But Soviet support for Argentina is hardly likely to shake the world's confidence in the justice of our cause and will not alter our determination to achieve our objectives," she said.

The Prime Minister flatly refused to accept the view of those who contend that Britain should avoid confrontation at all costs. Of course, Britain wanted a peaceful solution, she said, but it was not Britain who broke the peace. "If the argument of no force at any price were to be adopted at this stage, it would serve only to perpetuate the occupation of those very territories which have themselves been seized by force."

Mr Foot opened his speech by confirming that Labour leaders had not taken part in any private consultations with ministers since the invasion of the Falklands. The Opposition's approach, he promised, would continue to be on the basis adopted since the start of the crisis: "We shall act and respond in what we conceive to be the best interests of our country." When Mr Russell Johnston (Lib, Inverness) asked what the Opposition's response would be to an invitation from the Prime Minister to participate in private discussions, Mr Foot said it would depend on the circumstances prevailing at the time.

The Opposition leader underlined the importance of keeping in the forefront of the public mind the fact that the crisis had been caused by Argentina's act of aggression. He maintained that there was no part of the world where international anarchy would have more dangerous consequences than in central and southern America. Mr Foot urged Labour MPs to take full account of the fact that Argentina's aggression had been condemned in a clear vote by the United Nations Security Council. "This is a vote which must be carried into effect," he maintained.

Former Labour Foreign Secretary Dr David Owen, for the Social Democrats, backed the Opposition leader, saying he had spoken for the whole House. Mr Owen said the U.S. was in a "crucial position," but he did not believe America could be neutral between "fire and the fire brigade."

Mr Enoch Powell (OUP Down) said a peaceful solution to the crisis should mean only one thing — a return of British sovereignty. If the UN resolution urging a peaceful solution meant anything but the return of British rule it would be tantamount to a "pirates charter."

"It would mean any claim held only to be pursued by force for a bargaining position to be established." Sir Philip Goodhart, Tory MP for Beckenham and former Army Minister, said he had no doubt that Britain had to think in terms of having a large defence force in the Antarctic zone. But to do so she should think in terms of joining forces with Australia and New Zealand. Mr Michael Shersby (Con, Uxbridge) said that when he visited the Falklands with other MPs recently: "I didn't meet a single person... in the islands who did not tell me they wanted the islands to remain British."

But he suggested that a "leaseback arrangement" might be a solution to the deadlock. Former Labour Navy Minister Mr Pat Duffy said the lesson to be learned was that in the end, "you cannot negotiate successfully from a position of weakness." The words of the junta might still be resolute, but behind the scenes there had undoubtedly been movement. "That undoubtedly justifies the sailing of the task force."

Sir Hector Mearns (Con, Dumfries) former Tory Sports Minister, urged the Government to set up an air zone to make the Argentine air force as vulnerable as their ships. In the final speech Mr Francis Pym, the Foreign Secretary, said pressure was mounting on Argentina and the vice was tightening. The debate ended without a division.

Similar sentiments are expressed daily in crowds that gather spontaneously in the centre of town. People meet in front of a window where the latest news headlines are pasted up on a screen. Street sentiments reach fever pitch as the headlines report and bring in the latest report of the latest dip in the deadlock. At one such gathering, about a hundred people egged on by a few individuals on the different interpretations of sovereignty that separated Argentina and Britain. It remained largely an academic exercise, until someone from the crowd interrupted with an emotional cry: "Can't you see that they are no nearer to a settlement and that the fleet is getting nearer by the minute?"

For all the military jargon expressed publicly by Argentina's leaders, the ordinary Argentine is approaching the prospect of a war with Britain

Hart puts 'minority view' to halt task force

DAME JUDITH HART, MP for Lanark and chairman of the Labour Party, said she was expressing a minority view when she called for Britain's naval task force to be halted. "I believe we need a pause for peace and it should start now," she said.

Most Labour MPs listened in silence but Mr Frank Allaura (Lab, Salford E) said: "You are absolutely right." Dame Judith condemned Argentina's aggression against the Falklands and said the Buenos Aires junta was a "brutal and nasty fascist regime." She believed all MPs agreed the islanders should be allowed to express their views. She believed no MP wanted war.

Dame Judith said: "In pursuing one's own rights one has a responsibility towards peace which we here in Britain should be able to exercise. Mr Haig's negotiations had not yielded a diplomatic solution which could prevent war. It seemed more time was needed for the diplomatic process to avoid war. If secure, therefore, what we need crucially is a pause for peace."

Sir Anthony Meyer (West Flint), a lone critic of the Government on the Tory benches, admitted he was in a minority. He said it was clear there was a consensus in favour of despatching the force. "I have to say with great sadness, after many hours of thought and agonising over the matter, that I am not part of that consensus." He did not believe the killing of Servicemen or civilians to ensure the Union flag alone flew over what would be left of public buildings would achieve UK objectives.

Renewed strain on Buenos Aires austerity programme

BY JIMMY BURNS IN BUENOS AIRES

THE ARGENTINE Government's attempts to retain the essential points of its austerity economic programme during the Falklands crisis came under renewed strain yesterday.

Sr Roberto Alemann, the Economy Minister, faces growing opposition from the banking community, following his rejection of an emergency package presented on Tuesday by the central bank. The package recommended an increase in central bank guarantees for bank deposits, a 1 per cent reduction in minimum reserve requirements, and a radical modification of the Government's exchange policies to provide greater financial stability.

Sr Alemann apparently rejected the measures on the grounds that the present problems of the financial system were only temporary, and that any major modifications of Government policy would have a negative effect on money supply and on his efforts to reduce inflation.

According to bankers, the financial system has lost an estimated \$400m in withdrawn deposits during the last week, and a number of finance houses are in danger of collapsing. Some banks have been saved from severe liquidity problems only thanks to rediscount facilities offered by the central bank.

Sr Alemann has imposed strict controls on foreign exchange transactions, but a strong black market has developed and some bankers fear that this may further threaten the financial stability of the country unless the Government intervenes. The peso is being quoted officially at 11,700 to the dollar but black

market quotations range from 15,000 to 20,000. Sr Alemann yesterday was also forced to dampen the fears of employers who are concerned that an outbreak of war with Britain will lead to permanent sanctions from the EEC. At a meeting of representatives from leading Argentine private companies, Sr Alemann is believed to have suggested that the sanctions would not be as severe as those that had originally been threatened.

Following close on the heels of a Soviet trade delegation, a U.S. economic mission led by Mr William Brock, the U.S. chief foreign trade envoy, began talks in Buenos Aires yesterday. Scheduled well before the present crisis began, the two sides are nevertheless expected to discuss Argentina's problems arising out of the threatened trade ban from the EEC and other Western countries.

According to press reports the U.S. hopes the talks, being held under the auspices of the U.S.-Argentina mixed commission, are aimed at lessening Argentina's economic dependence on sales of foodstuffs and animal feeds to the Soviet Union.

Meanwhile, the first large group of civilians to leave the Falkland Islands since the invasion on April 2 arrived in Buenos Aires on Tuesday afternoon by military plane on their way to Montevideo and Britain. The British interest section of the Swiss embassy in Buenos Aires said about 36 men, women and children were in the group which included Canadians and other Commonwealth citizens.

Deceptive mood of calm Nation grows more tense by the minute

BY JIMMY BURNS IN BUENOS AIRES

AFTER THE eruption of popular fervour at last week-end's massive pro-Government rally, a semblance of normality has returned to Buenos Aires. One could almost be led to believe on a superficial glance that the approach of the British task force, now less than five days away from the Falklands, might be the product of journalistic imagination.

The calm, however, is deceptive. Beneath the superficial lies a city whose feelings reflect in microcosm those of a nation growing tense by the minute. Argentinians go to sleep unsure whether tomorrow will bring settlement or war. Whatever the outcome, there are few who do not believe that they should be prepared to defend the territory which they regard as theirs.

"We have passed the point of no return and will never let Britain take them (the Falklands) away from us," commented a young architect, who is awaiting a call-up notice. He reflected a widespread opinion here that April 2 was an historical turning-point in over a century of Argentine claims over the Islands. The Falklands may be an issue that has only recently come to the attention of the majority of Englishmen, and indeed the world. But in Argentina the remote islands in the South Atlantic, and claims of sovereignty over them, have been a subject that has been discussed and permeated through numerous generations.

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The plea follows something approaching a crisis in some banks and finance houses, where anxious investors have withdrawn their deposits in recent days. The fear is that the Government may soon slap down a new patriotic tax, in addition to the many taxes which the average Argentine already has to pay. Similar anxious signs would be taking place in the exchange houses had the Government not introduced restrictions on foreign currency transactions. British subjects Among the most worried in the present situation are the 17,000 British subjects in Argentina and some of the fourth and fifth-generation Anglo-Argentines. A number of English people have left Argentina or are preparing to go, not because they have been threatened but because they are afraid about what might happen if and when war breaks out.

in the assumed role of a threatened innocent, Argentina has not fought a war in this century, and a common plea heard in Argentine homes is that Britain should draw on its experience of suffering in the Second World War and pull back from the brink. There is no sign that popular backing for the junta over the Falklands has in any way diminished since the invasion. There is a daily barrage of Government propaganda over the television and radio. But this alone would have been unlikely to sustain the nationalist feelings that are oozing spread across the wide section of public opinion. Their most poignant symbol lies in the queues of volunteers that daily form outside the Ministry of Defence. Many of the people are old men past active service, and women. The Falklands may be an issue that has only recently come to the attention of the majority of Englishmen, and indeed the world. But in Argentina the remote islands in the South Atlantic, and claims of sovereignty over them, have been a subject that has been discussed and permeated through numerous generations.

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Easter break bolsters Tory MPs' resolution Runcie gives Government action Church blessing

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

FOUR DAYS in their constituencies over Easter seems to have strengthened the resolve of Conservative MPs to get the Argentinians off the Falkland Islands. It also seems to have increased the readiness of some of them to talk in terms of a long-term solution which, while acceptable to the Falkland Islanders, does not involve going back to the situation which existed before the Argentine invasion.

Back at Westminster, for yesterday's one-day emergency debate, Tory MPs, said that the overwhelming message they had got from their constituencies was that the Government was right in insisting that the withdrawal of Argentine troops

should be a pre-requisite of negotiations over the island's long-term future. Alongside this, however, some MPs reported an under-current of concern, particularly among middle-class voters, about the possibility of British lives being lost in a battle to regain the islands. Some Tories said privately that the Government could start losing support fast if a battleship went down or lives were lost. Only a tiny minority of Tory MPs, such as Sir Anthony Meyer, were prepared to voice these misgivings publicly yesterday. The more general view among Tory MPs was that the Government could carry the electorate with it as long as it

was seen to be making every possible diplomatic effort to solve the crisis. Most Conservative MPs were therefore delighted by Mrs Thatcher's speech. They liked the way she balanced Britain's determination to use force if necessary with a stress of the need to search for a diplomatic solution. Tory MPs who last week were worried that the Prime Minister was boxing herself into a corner, welcomed the way she left her options open over a long-term solution to the dispute. Conservative MPs seem to be in rather better spirits than they were at the end of last week. They were then still reeling from the shock of how the Government had let itself

be caught off guard by the Argentine invasion. Almost to their surprise, some MPs have found their way going back to their constituencies that the Government's popularity did not seem to have been much affected. MPs said that the time spent in their constituencies had confirmed their view that the Government's credibility depended on getting the Argentinians out of the Falklands. Some Tory MPs said privately that they did not think their constituents' bad thoughts, through the consequences of the resolve stand they were advocating. At the moment, they said, party activists seemed to be bargaining on an Argentine withdrawal.

THE ARCHBISHOP of Canterbury, Dr Robert Runcie, yesterday put the full weight of the Church behind the Government's handling of the Falkland Islands crisis. Britain would have been greatly in breach of its moral duty had the Government reacted any differently to the Argentine invasion, he told the Lords. Moreover, in calling on the Government to aim now for a diplomatic solution to the dispute, Dr Runcie insisted that diplomacy should not be allowed to fudge two vital principles: the overwhelming importance of international law, and the right to self-determina-

tion of any people, however small in numbers. Respect for international law was the "bulwark" on which future world peace depended, he said.

Lord Soames said the response of EEC countries in imposing trade sanctions against Argentina was incontrovertible evidence of the advantages of Britain's membership of the EEC. It was a triumph of political co-operation, answering the anti-market complaints that Britain got nothing out of the EEC. His partners had acted against their own interests out of solidarity.

British subjects Among the most worried in the present situation are the 17,000 British subjects in Argentina and some of the fourth and fifth-generation Anglo-Argentines. A number of English people have left Argentina or are preparing to go, not because they have been threatened but because they are afraid about what might happen if and when war breaks out.

THE FALKLANDS CRISIS

Military operation could last months, not weeks

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

BRITAIN'S Chiefs of Staff believe that they must now plan for a military operation in the South Atlantic which could last months rather than weeks.

That appears to be the message from yesterday's official announcement that the air power of the naval task force now heading south is being doubled and another assault ship is being prepared as "additional measures to provide extra capability for the task force over an extended period."

The decision to recommission the assault ship HMS Intrepid, the sister ship to the Fearless which sailed from Portsmouth a week ago, reinforces the task force's ability to land an invading force. It is likely to carry up to four landing craft, five Wessex helicopters and several hundred men.

The decision "almost to double" the number of Harrier fighter aircraft is the clearest indication yet of the Navy's worry that the forces could be inferior to the Argentines in the air.

Argentina can put to sea a maximum of only 18 U.S. Skyhawk fighters and perhaps 20 helicopters, against the current

Banks set to delay Eurocredit

By Alan Friedman

A \$200m (£112m) eight-year Eurocredit for Segba, the Buenos Aires electric power utility, is likely to be delayed tomorrow when bankers representing the seven lead-managers of the deal meet in New York.

Tomorrow's meeting, which was originally to have been held at the headquarters of Credit Commercial de France (CCF) in Paris yesterday, will involve Chemical Bank, Arab Banking Corporation, Gulf International Bank, Bank of Tokyo, Bank of Yokohama and Yasuda Trust and Banking as well as CCF.

The shift of the meeting from Paris to New York was described yesterday as a procedural decision, but the delay will allow the banks more time to see how the Falklands crisis develops.

National Westminster pulled out of the Segba credit last week.

The seven banks meeting in New York will strive to find a formula which falls short of invoking the "material adverse change" clause of the Segba credit, a clause which would allow banks which had already committed themselves to withdraw because of significant political developments.

Hugh O'Shaughnessy looks at Latin America's response to the Argentine invasion

Mixed feelings for next-door neighbours

THE SUPPORT for the invasion of the Falkland Islands that General Galtieri was hoping for from Latin America, and many in Britain were fearing would be given to the Argentine régime, has been shown to be less than wholehearted.

For their own reasons Guatemala and Venezuela have been firmest in their support for the Argentine action. The government of Gen Efraín Ríos Montt in Guatemala City has still not formally given up his country's claim to Belize which went independent under the protection of a British garrison last September. Had it not backed up Gen Galtieri this would have been interpreted as a weakening of Guatemala's resolve to "recover" Belize.

Much the same goes for President Luis Herrera in Venezuela which, like Guatemala, has a border dispute with a neighbour which dates back to colonial times. Caracas claims three-fifths of Guyana—formerly British Guiana—and the issue has been hotly debated in the Press in the past year, though few people believe the Venezuelans will press their case to the point of war against a weak Third World country.

In the move that has come closest to force in the crisis, the sorely pressed military régime of Bolivia has offered its small and unreliable air force to aid Argentina.

Peru is the South American



Argentine troops pose outside Government House, Port Stanley

country which traditionally has the closest relations with Argentina, however, the axis between Lima and Buenos Aires being the diplomatic counterweight to the one that links Chile and Brazil. Peruvian diplomacy has nevertheless been active in trying to get a peaceful settlement of the dispute and has been pressing for the Organisation of American States, based in Washington and very heavily influenced by U.S. government thinking, to take a hand in it.

Other Latin American countries have been less than enthusiastic about the Argentine invasion. Chile, which has gone to the brink of war with Argentina over the islands of Neva, Picton and Lennox in the Beagle Channel on the south-east tip of Tierra del Fuego sees the conquest of the Falklands as the possible prelude to a seizure of the islands it occupies. Consequently Gen Pinochet's government, which theoretically supports the ending of a colonial régime in the Falkland Islands is unhappy in practice at the way it has been

carried out. At one point there was speculation that Chile would make available its naval facilities at Punta Arenas to the Royal Navy. Chile's final decision not to make an offer reflects the fact that the port is very vulnerable to a blitzkrieg from Argentine Patagonia.

The Chileans do not condone the Argentine invasion which they suspect might have been backed by the Soviet Union. A similar lack of enthusiasm for Argentine bellicosity is visible in Brasilia.

Brazil is becoming increasingly interested in the riches of Antarctica, an interest which Britain has not discouraged. Last year it looked likely the Royal Navy was about to sell HMS Endurance, the only ship it has which is equipped for Antarctic conditions to Brazil.

Brazilian diplomats emphasise that the manoeuvres being carried out by the Brazilian navy off the southern coast of Brazil are "routine" and were planned 10 months ago. The fact remains that they could have been called off in the present circumstances. That they are still going ahead cannot please the Argentine navy. For her part, Mrs Thatcher has asked Brazil to use its influence to restrain Argentina.

In the Caribbean, attitudes are strongly anti-Argentine. Guyana, preoccupied with Venezuelan hostility, has said that Britain should do all it thinks fit to recover the Falkland Islands.

St Lucia, for instance, spearheaded a move by the Organisation of American States in Washington on Monday to have a reference to UN Security Council resolution 502 and the need for an Argentine withdrawal included in a motion which was originally proposed by Argentina. The English-speaking members of the OAS have been of great diplomatic use to Britain.

Threat to play the Soviet card

By Andrew Whitley in Buenos Aires

THE SOVIET UNION, Argentina's most important foreign trading partner, is the one country with everything to gain from the Anglo-Argentine fracas over the Falklands. Fear of pushing Argentina's generals further into Moscow's embrace is also the biggest limitation on Washington's ability to lean on the junta to persuade it to accept a compromise settlement with Britain.

During a tense moment late on Saturday evening when Mr Alexander Haig, the U.S. Secretary of State, and President Leopoldo Galtieri were trying to thrash a way out of the mess, the President is reported to have suddenly threatened to play his Soviet card. Flushed with the unaccustomed acclaim of his people, Gen Galtieri was not bluffing.

The mutual inter-dependence Washington fears is already happening. More than 70 per cent of Argentina's grain exports went to the Soviet Union last year which, in turn, relies on the staunchly anti-Communist government in Buenos Aires for a quarter of its supplies.

Argentine beef (usually second grade to be made into sausages and cheaper cuts of meat) is also featuring increasingly on every good Muscovite's dinner table. In 1980 the Soviet Union became Argentina's leading customer for beef, taking over \$200m worth.

With the harvest in Argentina reaching its climax, the Soviet Union appears to be rushing to beat the impending hostilities. Although loading operations from the country's northern ports should not be affected by the British blockade of the Falklands, normal trade will undoubtedly be severely disrupted in the event of fighting.

According to Western diplomats, the Soviet Union is looking to Argentina for between 11m and 12m tons of grain this year — made up of wheat, maize, sorghum and soya beans — nearly as much as last year's record purchases. By the end of March it had already bought 7m tons.

A 10-year barter trade agreement between Argentina and the Soviet Union, consolidating the spectacular increase in their commerce of the past two years, is in the offing. Equally worrying for the U.S. is Buenos Aires' declared interest in buying Soviet SU-22 fighter bombers to replace its ageing American A-4 Skyhawks.

While their compatriots were doing battle on the football field last night, down at the port a Soviet grain ship, the Sovindot, was busy loading maize as fast as possible. According to one of the ship's officers, several other Soviet grain ships are on their way across the Atlantic "and they are not going to turn back," he said defiantly, "even if war does break out."

In trying to play the honest broker between London and Buenos Aires, Mr Haig must be keeping in mind that two previous attempts to exercise pressure on Argentina under the Carter Administration backfired disastrously in favour of the Russians.

The ban on supplies of nuclear materials to Argentina — which has not signed the Nuclear Non-Proliferation Treaty and has made no real



One of thousands of demonstrators outside the President's house

THE Soviet Union believes that no matter who prevails in the Falklands dispute, Moscow's interests are best served by not intervening with Soviet naval and air forces in the area. This is the view of East European officials analysing the Soviet position, Leslie Colitt writes from Berlin.

One immediate boon to Moscow from the Falklands crisis is that gold has begun to recover some of its losses.

secret of its ambition to develop nuclear weapons capacity — led to an agreement with Moscow for the supply of heavy water and enriched uranium.

Just last week, while the U.S. Secretary of State was beginning his peace mission, a Soviet delegation was having talks in Buenos Aires under the auspices of a standing commission between the two countries. The result was a promise of more deliveries of nuclear material.

The second failed attempt to cajole Argentina into line was in January, 1980, when the U.S. was trying to co-ordinate a trade boycott of the Soviet Union in reprisal for the invasion of Afghanistan. President Jorge Videla refused to go along and the result was a quadrupling of exports to the Soviet Union, including 7.6m tons of grain and oilseed.

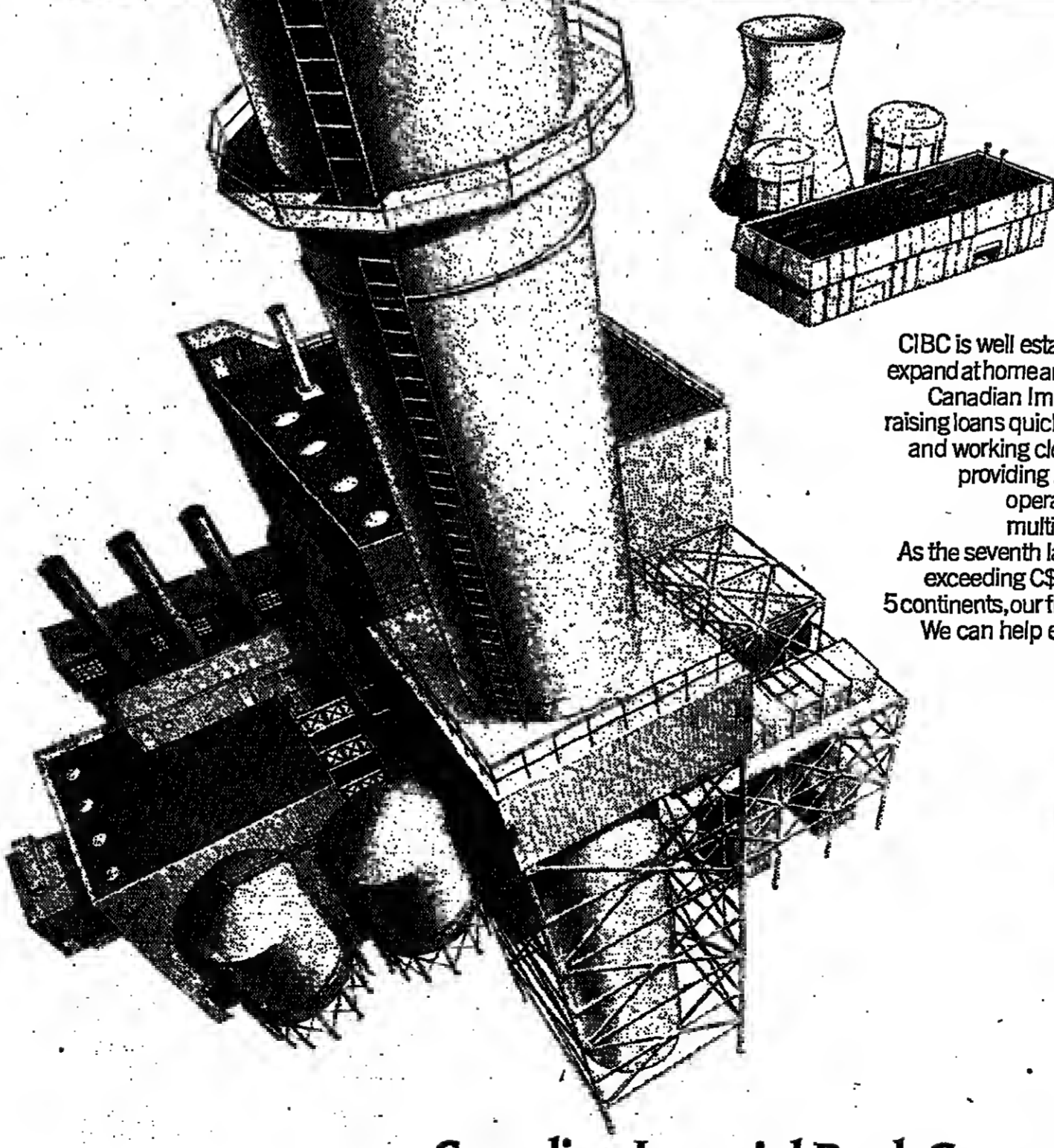
A five-year trade agreement, due to expire at the end of 1984, allows for the annual export a minimum of 4.5m tons of grain a year—a level which Argentina is likely to raise to 6m tons a year. In April last year, a five-year beef agreement worth \$1bn was signed.

Argentina has long been targeted by Moscow as a key country to woo in Latin America. While shouting loud about human rights violations in Chile, the Soviet Union has always remained quiet about equal, or at times worse, abuses by the Right-wing military régime in Argentina.

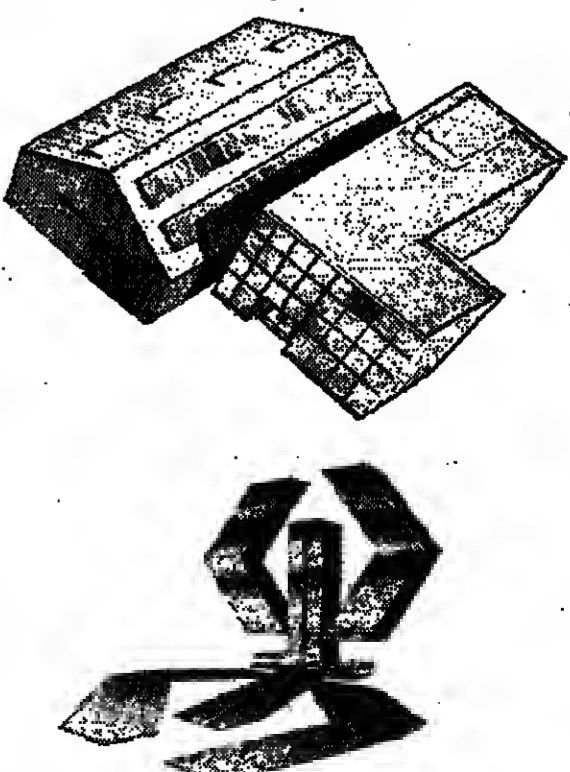
During the period of heaviest repression in Argentina, from 1976 to 1978, Soviet diplomats even worked behind the scenes to prevent the public vilification of Argentina on international human rights forums.

Moscow has kept its distance from the Argentine Communist Party, a party which claims to be the largest in Latin America outside Cuba but has no revolutionary fervour. At the same time, Argentine Communists are believed to have acted unofficially as middle-men in setting up the mammoth trade deals.

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OVERSEAS NEWS

Peking pulls back from row over Taiwan arms sale

BY TONY WALKER IN PEKING

CHINA HAS protested to the U.S. over its decision to go ahead with the sale of military equipment to Taiwan...



Zhao Ziyang: "Links endangered"

This is the first time China has publicly conceded that there is a difference between categories of military equipment the U.S. is selling Taiwan...

Under the American system, sales of military equipment of this size have to be notified to Congress which has 30 days in which to raise objections...

S. Africa to introduce new bullion

By David Marsh

SOUTH AFRICA, the world's principal gold producer, is about to follow the example of the Soviet Union...

The new bars—of 99.99 per cent purity compared with the standard South African ingot of 99.5 per cent—will be introduced mainly to meet heavy demand for high-quality gold from Far East markets...

The South African innovation was announced in Parliament by Mr Owen Horwood, the Finance Minister. He said the South African Chamber of Mines would sell overseas this summer standard 400 ounce bars with 99.99 per cent purity...

The chamber will also market smaller one-kilo gold bars with the higher purity. The new bars will be produced at the Rand Refinery in Johannesburg...

One-kilo bars are proving especially popular at the centres like Indonesia and Japan, where banks have just started to sell bullion over the counter...

The world's two main producers claim never to have contact in bullion marketing. But they are following broadly similar policies in trying to diversify sales.

South Africa has already been successful in spreading sales away from standard gold bars. The Chamber of Mines has just announced improved demand for Krugger rand coins...

Violence subsides but Israel strikes continue

BY PATRICK COCKBURN IN JERUSALEM

THE STRIKE in Jerusalem and Israel's occupied territories continued for the third day yesterday...

There was occasional stone-throwing in the old city of Jerusalem and in some towns on the West Bank and in Gaza, Israeli troops forcibly re-opened shops...

In an ironical address to the Arab states taking part in the shutdown, the daily al-Quds said yesterday that "by your great strike you solve the problems and restore the rights of the residents of the occupied territories..."

Nevertheless, the attack by an American Jew last Sunday on the Dome of the Rock mosque seems to have united the radical and conservative Palestinian leaders. The continuation of the strike in Jerusalem indicates considerable strength of feeling...

BAHRAIN — Millions of Moslems in Asia, Africa and the Middle East stopped work yesterday in an unprecedented show of support for Palestinians in Israeli-occupied lands...

In many Middle East countries airports were closed and telecommunications links were cut. Air and sea ports in Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates (UAE), Jordan, Syria and North Yemen were closed for 12 hours...

At least 15 Moslem countries in Africa and Asia also responded in various degrees to the blackout call on Tuesday by King Khalid, of Saudi Arabia, asking all Saudi citizens and expatriates in the kingdom to "extend a hand of assistance" to the Palestinians in Israeli-occupied territory...

Malaysia said Government offices would close today. A Government statement condemned "the despicable act of sacrilege committed by Israeli authorities against Moslem worshippers..."

In Iran, President Ali Khamenei said political support for the Palestinians was not enough and Islamic countries should use oil as a weapon against Israel.

In Syria, state-run Damascus radio declared: "All Arab rifles should be directed at the Zionist heart and all those who support it. Agencies recommend the Cabinet to postpone the withdrawal when it meets next Sunday..."

Mr Begin has always had a strong taste for melodrama, and he can hope to draw electoral advantages from appeals for national unity at a time of crisis. He is also keen to prevent Egypt returning too quickly to the Arab fold by distancing himself from the Camp David accord...

AP reports from Cairo: President Hosni Mubarak of Egypt yesterday discussed with Mr Ariel Sharon, the U.S. ambassador, growing tensions between Egypt and Israel and the scheduled visit here of Mr Stoesselel.

After the hour long meeting, Mr Atherton told reporters he felt there is a "confident mood" in Cairo that Israel would withdraw on schedule from the last third of Sinai.

\$2.7bn Australian projects in mothballs

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AUSTRALIAN development projects worth \$2.7bn (\$1.6bn) have been abandoned or deferred, according to the latest Department of Industry and Commerce survey.

Taken last December, the survey indicates that the value of manufacturing and mining projects at the final planning stage has slipped from \$435.5bn last June to \$232.5bn.

Since the start of the year, the spare of deferrals has worsened, in response to sluggish world commodity prices and soaring domestic interest rates.

Australia witnessed a record capital inflow of \$51.47bn (£32.4m) in March, most of it raised from foreign borrowing by companies to fund tax payments due in the June quarter. The record inflow is expected to help ease the pressure on interest rates...

Alcoa of Australia has announced delays at its Wagerup alumina refinery, in Western Australia. The first stage, worth \$320m, is being completed, but the plant will be mothballed until at least early next year.

Major development projects abandoned in the second half of last year included the \$650m Bunbury aluminium smelter in Western Australia, and various coking-plant ventures near Singleton, NSW.

The survey generally overstates the value of projects in hand in addition to projects firmly planned, a further \$23.2bn worth an estimated \$70m, were at an "early feasibility" stage.

Of the latest project total (\$532.3bn), 33 per cent related to coal mining, 27 per cent to oil and gas, 16.5 per cent to basic metal products, and 3.5 per cent to uranium.

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Capital inflows may ease interest rates

BY OUR SYDNEY CORRESPONDENT

AUSTRALIA witnessed a record capital inflow of \$51.47bn (£32.4m) in March, most of it raised from foreign borrowing by companies to fund tax payments due in the June quarter. The record inflow is expected to help ease the pressure on interest rates...

However, on the trade side, imports last month reached a record \$22.1bn with exports steady, at \$21.6bn. The balance of trade deficit was \$436m, the highest for six months.

The large capital inflow in March was expected, and the Government is anxious to keep a tight rein on the money supply to help dampen wage claims.

It has encouraged high local interest rates, now more than 20 per cent for short term funds, to force private sector borrowers offshore.

WORLD TRADE NEWS

Japan considers cut in its tariff on French brandy

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

M. JACQUES DELORS, French Finance Minister, was told yesterday by Mr Michio Watanabe, Japan's Finance Minister, that Japan will "study" a cut in the tariff on brandy for implementation in its 1983 fiscal year.



Jacques Delors

The average margin of the whisky tariff cuts introduced at the beginning of April was 10.4 per cent but high grade whiskies were treated less generously than cheaper ones.

Italy given imports respite

BY GILES MERRITT IN BRUSSELS

ITALY HAS been given a six-month respite from imports of Japanese outboard motors that it claims have made serious inroads into employment levels in its marine engine industry.

President Mitterrand's state visit to Tokyo. Apart from claiming that French demands for a cut in the brandy tariff lack economic justifications, the Ministry of Finance has mounted an attack on the importers of brandy—in much the same manner as it did on the Scotch whisky importers when the whisky tariff was under discussion.

It claims that the importers' margin on brandy (the difference between the tax paid value of brandy and the price to the Japanese consumer) varies between 30 and 60 per cent and can sometimes be as high as 70 per cent in the case of three-star whiskies.

The joint conference documents called "Will the real BFA stand up?" says Hong Kong imported goods worth \$2.5bn (£1.5bn) from the EEC in 1981, and has placed public works, transport and infrastructure contracts worth over \$3bn under EEC competition in recent years.

Ericsson wins Malaysian contract

By Wong Sulong in Kuala Lumpur

THE MALAYSIAN Government has awarded a telecommunications contract, estimated at Ringgit 700m (£168m) to L. M. Ericsson, the Swedish company.

A letter of intent was signed recently, and the contract is to be concluded after final terms are negotiated.

The contract calls for the supply and installation of computerised telephone equipment, capable of handling 1m lines by 1990.

The Malaysian authorities say Ericsson must set up a factory in Malaysia to manufacture the equipment.

EEC textiles policy attacked

A BITTER attack on EEC textile import policy has been launched by the Hong Kong Textile and Clothing Industries' Joint Conference, which represents 14 local federations in the industry, writes Robert Cottrell in Hong Kong.

The joint conference documents called "Will the real BFA stand up?" says Hong Kong imported goods worth \$2.5bn (£1.5bn) from the EEC in 1981, and has placed public works, transport and infrastructure contracts worth over \$3bn under EEC competition in recent years.

Why UK thinks Tokyo is positively negative

BY CHRISTIAN TYLER

WESTERN businessmen talk about the Japanese today much as they used to talk about Chinese merchants 150 years ago. "They excel at being extremely, positively, politely negative," says one British executive of his experiences on a recent trade mission to Tokyo.

With direct exports from Japan fast reacting their political — if not market — ceiling, both Japanese and Western interests are giving official encouragement to collaborative ventures, particularly those directed at winning business in "third" countries.

Recent examples of collaboration in which British companies have been involved include deals between Rolls-Royce and Kawasaki Heavy Industries, ICL and Fujitsu, GEC, Marconi and Mitsubishi, Logica and Japan Radio.

But the suspicion remains on the Western side that the Japanese prefer talking to doing. Engineering companies in Belgium, the Netherlands, France, West Germany, Italy, Spain and the UK have all been approached by the Japan Machinery Exporters' Association (JMEA) with an invitation to work together. But reports flowing back from the European companies say the dialogue has produced more team photographs of smiling trade missions than actual business.

"We sat most of the day in Tokyo," said Mr Dennis Gowans of Northern Engineering Industries, "and I'm afraid I suggested that while we were singing from the same hymn sheet we were not getting anywhere." Nevertheless, he added, if talking to the Japanese did not guarantee that business-inquiries would follow, then not talking to them guaranteed they would not.

Mr Geoffrey Crawford of Peter Brotherhood, the Peterborough plant company, observed that in the major Japanese corporations "there is great concern that the day is fast approaching when the West may pull the shutters down. I doubt if that message has reached very far down into Japanese companies, however."

It would be quite wrong to deduce from this that the UK contingent was not glad of a chance to spot gaps in the Japanese market and to build bilateral contracts with the high-powered groups fielded by the JMEA. It included executives of corporations like Hitachi, Kobe Steel, Mitsubishi, Mitani, Nippon Steel and Toshiba.

Another mission to Japan is planned this year. Turkey yesterday took what a Trade Ministry official described as a "positive step" towards ending its trade skirmish with the EEC by imposing a minimum export price on its carded ring cotton yarn exports to the Community.

Meanwhile, the sincerity of the JMEA's invitation is being put politely to the test. The Engineering Employers Federation (EEF) has tabled two propositions for collaboration in order to demonstrate its own interest and to draw the Japanese into concrete discussions.

One is that companies on both sides should get some practice working together on public-sector projects inside Japan such as water and sewage treatment, power generation or airport construction before turning their joint attention to third markets.

This idea is regarded by the Japanese as provocative. They say that UK participation in Japanese public-sector projects should be worked out between the Governments concerned, not by private industry. They add that Britain would also have to open the UK civil engineering market to Japanese competition for the suggestion to be worth serious consideration.

Should that hurdle be surmounted, then a second EEF proposition is likely to make some headway. This proposal is that companies in both countries pool their complementary expertise on the recovery and refining of heavy oil—residual, high-viscosity stuff that is estimated to account for 10 per cent of total world oil reserves. This is a high-cost and infant technology, but one relevant to many Third World countries.

The U.S. has considerable expertise in this area already, but Britain can offer competence in extracting heavy oil in tougher conditions than those encountered in the U.S.

A sign of Japan's interest in the technology is that Osaka Gas is sharing with British Gas half the \$6.5m cost of a research project for making substitute natural gas out of heavy oil. The JMEA-EEF talks have now resulted in Japanese agreement to set up a joint technical committee to look much more widely at what could be a large and profitable market for process plant companies in the two countries.

Japanese and British interests also coincide in other areas. For example, Japanese officials admit their country's weakness in project management, in the organisation of local labour in, say, the Middle East and Africa. They are anxious to profit from British expertise in those markets, while the British need Japan's help in S.E. Asia and even Australia. Collaboration has the further advantage that it presents a more formidable front to governments in politically volatile areas of the world.

There are technological as well as geographical marriage to be made. British engineers are beginning to identify the gaps in Japan's industrial profile, areas like mechanical engineering where UK companies believe they are years ahead.

Financing of capital projects is another field in which the British believe they have something to offer, a more sophisticated and profitable system than Japan's penchant for long-term loans. Bidding practices would probably have to be harmonised: for instance the Japanese tend to bid low and negotiate upwards by adding to the specification, the British to open with a high bid and negotiate downwards.

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India's Exim Bank tries to raise funds

BY K. K. SHARMA IN NEW DELHI

THE EXPORT-IMPORT bank launched recently by the Indian Government is to tap the world money markets for funds for its operations. It will also be allowed to raise finances of its own from Indian sources to enable it to increase the country's exports.

A committee of the Reserve Bank of India has been asked to devise ways to increase Exim's funds, which are at present limited to the Rs 500m (£30.5m) equity provided by the Government. This nominal amount needs to be multiplied many times if the role envisaged for the institution is to be fulfilled.

Exim's operations aim to boost exports to an annual real growth of 9 per cent at a time when the balance of payments is under severe strain because of the growing trade deficit, estimated to be more than Rs 57bn in 1981-82. To narrow the gap, the bank has been asked to concentrate on specific parts of the overall strategy to increase exports.

Exim is expected to play a special role in providing medium and long-term finance for capital goods.

Although Indian companies at present have on hand contracts worth more than Rs 50bn in the Middle East and North Africa — particularly in civil construction — many have been lost because of the lack of large and flexible financing arrangements.

The circular set minimum export prices for cotton yarn made from Aegean cotton and Cukurova (Adana province) cotton. The official said that with the 12 per cent anti-dumping duty the price of Turkish cotton yarn would come up to the minimum figure demanded by the Community.

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SEA MALTA is expected to transport 100,000 cu metres of Chinese cargo a year to various Mediterranean ports following the signing of an accord with the Chinese Ocean Shipping Corporation (Cosco).

Cosco plans to send two vessels a month to Malta with cargo varying from 2,000 to 10,000 cu metres for destinations in Algeria, Spain, Italy and Libya and ports in the eastern Mediterranean in Greece, Turkey, Cyprus and Syria. The first Cosco vessel will call at Malta in May.

The agreement, signed by Mr John Borg, Sea Malta chairman, and Li Zhiren, Cosco shipping manager, is automatically renewable at the end of each 12-month period.

Sea Malta sees the agreement as a breakthrough in its efforts to step up transshipment business.

Sea Malta signs accord with China

By Godfrey Grima in Valetta

SEA MALTA is expected to transport 100,000 cu metres of Chinese cargo a year to various Mediterranean ports following the signing of an accord with the Chinese Ocean Shipping Corporation (Cosco).

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STOCKBROKERS
Czeanovs & Co.
12 Tolsonhouse, London EC2R 7AN

INFORMATION
Brown Shipley International Currency Fund Limited ("the Company") was incorporated on 30th March, 1982 in Jersey, Channel Islands. The Company is designed to provide investors with a convenient and inexpensive means of investing in bank deposits, bonds and similar assets denominated in foreign currencies.

STRUCTURE
The Company is an open-ended investment company which may, with the approval of its shareholders, issue and redeem Participating Shares at prices based on their underlying net asset value.

INVESTMENT POLICY
The Company aims to provide its shareholders with a high overall return derived from income from its investments and capital growth.

DIVIDEND POLICY
Substantially the whole of the Company's net interest and dividend income, after providing for the management fee and expenses, will be distributed by way of dividend. Dividends will be paid half-yearly and it is expected that the Company will pay dividends in April and October in each year.

DIRECTORS
Raymond Edward Lewis Shingles, M.B.E., who is 69, is an English Solicitor. Mr. Shingles is a Director of Brown Shipley (Jersey) Limited and Brown Shipley Trust Company (Jersey) Limited and is Chairman of the Boards of Brown Shipley Corporation (C) Limited and Hongkong and Shanghai Banking Corporation (HSBC) Limited.

SECRETARIES
Peter Harold Dunn, who is 58, is a Chartered Accountant and Chartered Secretary and has been a Director of Brown Shipley & Co. Limited since 1961 and Chairman of the Board since 1976. Mr. Dunn is also Deputy Chairman of Brown Shipley Holdings p.l.c. and Chairman of Brown Shipley (Jersey) Limited and a Director of Merrill Lynch International Bank Limited, Scottish United Investors Limited, Property Security Investment Trust Limited and National Employers Mutual General Assurance Association Limited.

ADMINISTRATOR
Brown Shipley Trust Company (Jersey) Limited has been appointed Administrator of the Company under an Agreement dated 28th April, 1982 ("the Administration Agreement"). The Administrator is responsible for the overall administration of the Company's affairs including the Company's assets, liabilities, redemption of the Participating Shares and provision of all necessary secretarial and accounting services.

REPORT AND ACCOUNTS
The Company's affairs and accounts for the year ended 31st August 1981 will be circulated to shareholders.

GENERAL INFORMATION
The Company has an authorised share capital of £200,000 divided into 100 Management Shares of £2 each of which have been subscribed for in full in cash by or on behalf of the Administrator and 19,900,000 Unclassified Shares of 1p available for issue as Participating Shares or Nominal Shares.

1. Participating Shares
The Company's shares are divided into a winding-up or repayment preference class of the nominal amount paid up thereon and, in addition, have the right to surplus assets available for distribution after repayment of the paid up capital on Nominal Shares and the repayment of the nominal amount paid up on such shares.

2. Issue and Redemption
The issue price and the redemption price of Participating Shares are calculated by reference to the net asset value of the Company in accordance with the Articles of Association of the Company. Further information is given in the next following sections and in paragraph 2 of the section headed "General Information".

3. Redemption
The Company has power to operate an equalisation account, if they consider it appropriate, and an amount in respect of equalisation will be included in the issue price.

4. Dividend
The Company's net interest and dividend income, after providing for the management fee and expenses, will be distributed by way of dividend. Dividends will be paid half-yearly and it is expected that the Company will pay dividends in April and October in each year.

5. Taxation
The Company is a Jersey company and its income is subject to Jersey taxation. The Company's income is exempt from Jersey taxation in respect of interest and dividends received from other companies.

6. Winding-up
The Company's assets and liabilities will be distributed to the holders of Participating Shares in the event of the Company being wound-up.

7. Miscellaneous
The Company's Articles of Association contain provisions relating to the appointment and removal of Directors, the powers of the Directors, and the rights of shareholders.

8. Application
Applications for Participating Shares should be made by letter or on the application form with this prospectus. The application and payment procedures are set out below.

9. Redemption
Participating Shares may be redeemed at any time after the issue date. The redemption price is the net asset value of the Company at the time of redemption.

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Brown Shipley International Currency Fund Limited
Application Form
1. Name of Applicant (in full)
Address
Signature Date
2. Name of Applicant (in full)
Address
Signature
3. Name of Applicant (in full)
Address
Signature
4. Name of Applicant (in full)
Address
Signature
5. Name of Applicant (in full)
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9. Name of Applicant (in full)
Address
Signature
10. Name of Applicant (in full)
Address
Signature

UK NEWS

Private sector pensions lagging behind inflation

By Eric Short

PENSIONERS in private sector schemes had their pensions increased in 1980 by an average of 9.94 per cent compared with an average increase of 15.41 per cent for those in public sector occupational schemes. The Retail Price Index rose 15.1 per cent between December 1979 and December 1980 with an average month year on year increase of 1.8 per cent per annum. These figures are published in the latest survey* of occupational schemes made by the National Association of Pension Funds. It is the first time it has been able to give a figure for pension increases in the private sector. But the figure needs to be treated with a little caution. The survey covered 1,220 pension schemes of which 93 were in the public sector and 1,127 in the private sector. Total membership was 5.66m. While 98 per cent of public sector schemes answered the question on the size of pension increases, if any, only 70 per cent of private schemes did so. The survey also averaged pension increases by scheme without taking into account the actual number of pensioners in each scheme. Thus this figure shows what schemes did on average about pension increases in 1980 rather than how the average pensioner fared. Nevertheless, it does show that private-sector schemes are making an effort to preserve the value of pensions in real terms. The survey also contained detailed information on what pension schemes are doing about deferred pension for employees who have changed jobs. This showed that 85 per cent of public-sector schemes increased deferred pension by an average of 16.16 per cent in 1980. But only 18 per cent of private-sector schemes did so, the average increase being 9.35 per cent. The survey showed that total value of funds of schemes covered amounted to £48.6m, with 44 per cent of assets held in equities and 20 per cent in direct property holdings or property unit trusts. Overseas assets now accounted for 9 per cent of assets, compared with 6 per cent in the previous survey. The Seventh Annual Survey of Occupational Pension Schemes - 1981, published by the National Association of Pension Funds, Sunley House, Bedford Park, Croydon CR0 0XF, price £12 members and £24 non-members.

Local business comes out for Stansted

By Michael Donne, Aerospace Correspondent

MORE AND more businessmen in Essex and Hertfordshire are speaking out for Stansted as the third major airport for London. The latest supporter is the Hertfordshire Chamber of Commerce, which in a submission to the public planning inquiry into Stansted said that three-quarters of its membership was in favour of that airport being expanded. The Hertfordshire Chamber said that developing the airport would increase economic activity in the county and "reverse the continuing tide of economic decline in Hertfordshire and in the country." It would also introduce "new opportunities, new vigour and new sources of wealth for the development of our society." The British Airports Authority said that it was delighted that its view of the airport's importance, particularly to the industrial and business life of the county, continued to attract such influential support. The development of Stansted to a capacity of 15m passengers a year has already been given broad support by the Greater London Council, the Surrey, Buckinghamshire and Hampshire County Councils, the Transport and General Workers' Union, and airlines.

Merseyside youth-training workshop opens

By Nick Garnett, Northern Correspondent

THE LAST of three youth-training workshops set up by Ford with the Manpower Services Commission was opened yesterday at the company's Halewood site, Merseyside. The other two are at Dagenham and Swansea. When the 50 training places at Halewood are fully taken up at the end of the month Ford will be providing in the workshops 160 places for relatively high-quality industrial training for 16-to-18-year-olds. This is on top of the 430 work-experience places provided throughout the company, 170 of which are filled. The three workshops provide 12 months' basic training in a disciplined factory atmosphere under guidance of supervisors. The aim is to improve the youths' job prospects and to give them skills for keeping jobs once they have found them. Operated through the Youth Opportunities Programme (YOP), workshops such as these are likely to provide the nucleus of the new national training programme due to come into effect next year and which has been outlined by the Government.

About 10 youths found permanent jobs shortly after entering the Dagenham training workshop. One girl left the Halewood workshop after securing permanent employment. The workshops' main product is a wooden go-cart which is sold to Ford dealers, mainly for charity and promotional purposes. In that sense the workshops are small production-car plants. At Halewood a range of other items including protective clothing, cushions and tables is made. The youths receive training in several different types of equipment including lathes, grinders and industrial sewing machines, and in office and administration work. Mr Ken Evans, the senior Ford manager and YOP co-ordinator, said an aim of the workshops was to teach youths to spend eight hours a day in a productive environment. They will be taught transferable skills and receive social and life-skills training, such as how to write applications, for jobs—and interview techniques.

Advertising 'could halve prices of spectacles'

By David Churchill, Consumer Affairs Correspondent

THE PRICES of spectacles could fall by up to 50 per cent if opticians were allowed to advertise freely, the Advertising Association said yesterday in evidence to the Office of Fair Trading's working party on the spectacles market. The association urges the OFT to prohibit the General Optical Council from maintaining its ban on advertising. It says the ban results in the price of spectacles being substantially higher than would be the case without it. The association's evidence is based on work by Mr Mike Waterson, its research director. This shows that "advertising by opticians would almost certainly bring down prices, without in any way affecting the quality of the services provided by opticians."

The research draws heavily on the market position in the U.S. and West Germany. There the advertising of spectacles is allowed. The association suggests interference with the UK market system by the General Optical Council costs the consumer many millions of pounds. The OFT working party on spectacles' prices is due to report before the end of the year.

Europe's soft-drink sales rise

By Gareth Griffiths

SOFT CARBONATED drink sales rose steadily in Western Europe last year with a 9.7 per cent increase in sales over 1980, according to a survey of the European canned soft-drinks market by Canadian, a market-research company. The recession and poor weather, however, led to 5.5 per cent fall in UK sales, compared with 1980. West Germany was the most important single market for soft-drinks, its overall consumption of 1,591bn units accounting for 40 per cent of total sales in Europe. This compares with the UK's consumption of 1,148bn units.

West Germany, the UK and Italy accounted for more than 80 per cent of total sales in Europe which were nearly 4.4bn units last year. The UK soft-drinks market was depressed in the past year. Sales were back to the 1979 level. Canadian suggests the main reason is a fall in purchasing power, rather than the poor weather. One result was that in 1981 UK fillers had to cope with substantial excess capacity. The more efficient West German competitors were able to operate two-shift working fairly comfortably.

The review says international brands such as Coca-Cola, Pepsi-Cola and Seven-up continued to dominate the European market. Coca-Cola's share rose to 54 per cent of the total; Pepsi-Cola's share stayed at 14 per cent. Only one-third of soft-drinks in the EEC is drunk by consumers aged between ten years and 19 years. Average consumption in the UK is about 35 litres per head, compared with about 60 litres in West Germany. European Soft Drinks Review, Canadian Ltd, 7-11, Lexington Street, London, W1. £1.25 excluding VAT.

Welsh industry raises output

By Robin Reeves, Welsh Correspondent

WELSH industrial production showed a 1 per cent increase in 1981 over the previous year, according to figures just released by the Welsh Office. Manufacturing output recovered by nearly 5 per cent and utilities increased by 12 per cent. Mining and quarrying production declined by 5.6 per cent and construction by 13 per cent. There was a rise in the production of Welsh manufacturing of nearly 13 per cent in the last quarter of 1981. Ferrous metals output contributed greatly to this, but the rise affected all industries and included gains in chemicals, electrical engineering and vehicles.

Economic forecasts predict 4% growth in 1982-83

By Max Wilkinson, Economics Correspondent

THE UK ECONOMY can be expected to grow about 3½ to 4 per cent in the two year period of 1982 and 1983, according to three separate forecasts published yesterday. All three forecasts expect the annual inflation rate to fall into single figures during the period. The most optimistic, the broker Laing and Cruickshank, says inflation is likely to fall below 10 per cent next month and settle at between 9 and 9½ per cent for the following 12 months. Laing and Cruickshank expects output this year to be 1.9 per cent higher with a further 2 per cent growth in 1983. The other two forecasts, from Cambridge Econometrics and Oxford Economic Forecasting are fairly similar. The Cambridge group expects growth of 1.2 per cent this year and a further 3.2 per cent in 1983. Its main forecast is of steady growth of about 2 per cent a year until the end of the decade. The Oxford group is more pessimistic. It predicts growth of 1.3 per cent this year and a further 2 per cent next year. It forecasts that the average annual inflation rate this year will be just over 10 per cent, falling to 9 per cent in 1983. The group says: "At present the Government thinks it can control the exchange rate by setting interest rates at some required level, but Oxford Economic Forecasting reckons that the exchange rate will prove as difficult to control over the next two years as sterling M3 (the broad measure of money supply) was over the last two." Next year, the group believes that the Chancellor will find it more difficult to provide any tax-cutting stimulus to the economy while maintaining the Government's strategy for reducing public borrowing. This year, it argues, the Chancellor was helped by three special circumstances: tax allowances had not been raised in line with inflation in the 1981 Budget; tax accruals from 1981-82 to 1982-83 were delayed by the civil servants' strike; special sales of assets are forecast to raise about £700m. Cambridge Econometrics emphasises the effect of lower oil prices in stimulating recovery which it believes will come in two phases. The first, up to late 1982, will be marked by very sluggish growth as stocks are built up and exports increased. The second phase, in 1983, will be "more significant and more dramatic. It will become more widespread with Domestic Product increasing by around 3 per cent. Exporters, who have weathered the recession well, can expect to continue to benefit from relatively low wage increases, improvements in productivity and the lower exchange rate." In the first edition of a new quarterly analysis and forecast of international currencies the Henley Centre for Forecasting predicts that world output will increase by 2 per cent this year and by 3.7 per cent in 1983. The new quarterly is called "Foreign Exchange Outlook" and is obtainable from the centre at 2, Tudor Street, London EC4.

SANDVIK AKTIEBOLAG

NOTICE IS HEREBY GIVEN that the Annual General Meeting will be held in the Coromant Office at Mossvejgen in Sandviken on Friday, May 7, 1982, at noon. Buses will leave the Head Office at 11.45 a.m.

At the Meeting matters stipulated in the Swedish Companies Act and the Articles of Association shall be considered as well as the question concerning the authorization for the Board of Directors to decide during the period up to the Annual General Meeting to be held in 1983 on an issue of convertible bonds in foreign currency corresponding to a value of not more than SEK 300 million and in doing so to deviate from the shareholders' right to subscribe for such bonds.

Shareholders wishing to attend the Meeting must notify the Board thereof (by telephone +46 26 26 52 70) not later than Monday, May 3, 1982. In order to qualify for attendance, shareholders must also have been entered in the Share Register kept by the Securities Register Centre (Värdepapperscentralen, VPC AB) not later than Tuesday, April 27, 1982. A shareholder who has had his shares registered as held in trust by a nominee such as a bank's trustee and securities department or a private stockbroker ("förvaltare/registrering") must have them temporarily re-registered in his own name not later than April 27, 1982.

Shareholders are entitled to vote by proxy at the Meeting. Such a proxy shall be written and dated. Neither a shareholder nor a representative may vote for more than one-fourth of the total number of shares represented at the Meeting.

May 11, 1982, will be proposed as the "record day" ("avstämningdag"). If this proposal is adopted by the Meeting it is expected that dividends will be ready for remittance by May 19, 1982. Dividends will be sent to those who on the record day are entered in the Share Register or in the separate List of Assignees, etc.

Dividends will be remitted from the Securities Register Centre. To facilitate the distribution, shareholders who have moved should report their change of address to their bank or to Värdepapperscentralen VPC AB, Box 7444, S-103 91 Stockholm, in good time before the record day.

Copies of the Annual Report of the Company covering 1981 activities will be available—from May 10, 1982—at the office of Credit Suisse First Boston Ltd, 22, Bishopsgate, London EC2N 4BQ.

SANDVIK AKTIEBOLAG
The Board of Directors

SANDVIK

...with copies to the Chief Executive, Company Secretary, and.."

MEMORANDUM

Draft For Presentation at London Board Meeting, July 1982

From General Manager, North American Operations

Re: Our U.S. Activities

When we last met we discussed the need to improve the firm's image in America. It now seems advisable to summarize our discussion and make a formal recommendation.

American corporations will spend an estimated \$1 billion on corporate advertising in 1982. While such advertising may appear self-indulgent to some, Americans understand its purpose: to establish identity and build awareness.

Aside from those objectives, we should consider corporate advertising as a means of supporting our plan for acquisitions and attracting potential joint venture partners and employees.

If corporate advertising can help achieve these goals (and the experience of American corporations suggests it can), then funds so devoted will be well invested. Such a strategy should be considered a long-term investment, not unlike an investment in capital goods.

The cost need not be exorbitant. A campaign to run exclusively in The Wall Street Journal, the medium preferred by American business, will suffice. I stress the importance of maintaining a corporate presence in this publication. It is an institution in America, read by nearly every executive one encounters throughout the U.S.

As Manager of North American Operations, I request approval of the attached budget for an initial program. With Board approval, I shall authorize our advertising people to begin preparation of proposals.

encl.

The Wall Street Journal. As basic to America as business itself.

Published Daily, except on Sundays and Public Holidays, at 12, Old Broad Street, London, E.C.2. Telephone: 3473. Telegrams: "The Wall Street Journal" to London, "The Wall Street Journal" to New York, "The Wall Street Journal" to Frankfurt/Main 1, West Germany.

UK NEWS - LABOUR

Journalists at the BBC start 'work to rule'

By Our Labour Staff

JOURNALISTS at BBC television news began a "work to rule" at midnight last night in a bid to improve a 6.5 per cent pay rise.

The 100-strong National Union of Journalists' chapel (office branch) said that salaries at the BBC have fallen well behind those paid to colleagues working in Fleet Street and at independent broadcasting companies.

The work to rule, which includes a refusal to cover for senior staff and strict adherence to working hours, is likely to restrict the Corporation's news coverage.

However, the BBC said last night that there was no question of TV sets being blacked out by the action.

In a statement released yesterday, the BBC said that the 6.5 per cent was "proper and not ungenerous" in the light of economic pressures facing the Corporation.

It added: "We have made it clear to the NUJ that we recognise and are concerned about the special problem of the disparity in salaries between BBC journalists and other organisations."

The BBC would be prepared to discuss the issue as a matter of urgency.

Fowler warns on hospital strikes

By Ivo Dawnay, Labour Staff

MR NORMAN FOWLER, the Social Services Secretary, yesterday warned that any industrial action taken by health service staff was certain to harm patients.

Responding to Tuesday's call by the Confederation of Health Service Employees (Cohse) for a series of two-hour strikes, from April 26, Mr Fowler appealed to NHS workers "to think very carefully before taking any action."

The appeal came after tens of thousands of NHS employees staged one-hour strikes across

the country in protest against the Government's refusal to improve pay offers, currently ranging from 4 per cent for ancillary workers to 6.4 per cent for nurses.

Mr Fowler said: "There is no doubt that the threatened action would harm patient care. At the very least it would inconvenience patients already in hospital and put back the treatment of those awaiting admission."

Health unions' claims for rises of 12.5 per cent were "unrealistic" and in excess of

what the country could afford.

"The Government is currently spending £6.5bn on NHS pay and over the last three years staff numbers have increased," he said. "Any extra money for pay would have to come from increased taxation or more borrowing—unless services were to be cut back, which would affect patients and also lead to a loss of jobs."

Mr Fowler added: "As far as nursing staff are concerned, the Government has provided extra money for their pay and is actively seeking new permanent

arrangements for settling nurses' pay."

Mr Fowler's statement came after Cohse and the National Union of Public Employees reported widespread support for the TUC Health Service Committee's call for a one hour protest stoppage yesterday.

Cohse claimed that the response to the call had exceeded expectations. "Preliminary reports show an extremely good turn out, and it is clear that the Government has underestimated the strength of feeling among health service staff," the union said.

Printing societies to merge on July 3

By Ivo Dawnay, Labour Staff

A MERGER of the Society of Graphical and Allied Trades (Sogat) and the National Society of Operative Printers, Graphical and Media Personnel (Natsopa) is to go ahead on July 3, it was announced yesterday.

The results of ballots in each union, conducted by the Electoral Reform Society last month, have shown majorities in favour of the amalgamation in both societies.

A joint statement released by Mr Bill Keys, general secretary of Sogat and Mr Owen O'Brien, general secretary of Natsopa, welcomed the outcome yesterday.

"By their decision the members of both societies have forged a unity that will help meet the major challenges that face workers in the graphical and allied trades," the statement said.

It added: "This major step of joining two old and proud trade unions must be seen as a further step towards the final objective of creating one union in the graphical and allied trades."

The amalgamation follows the merger of the two other principal print unions—the National Graphical Association and the Society of Lithographic Artists, Designers, Engravers and Process Workers—into a new 125,000-strong union last month.

The NGA is also involved in talks with the National Union of Journalists over a possible merger, although this is still considered in the preliminary stage.

With about 285,000 members, the new Sogat-Natsopa will be the largest union in the print industry.

Under the terms of the amalgamation, Mr Keys and Mr O'Brien will act as joint general secretaries until one of the two retires. The unions' executives have agreed to the creation of one new executive with one president and a single officer and branch structure.

Headquarters in London and Manchester where Natsopa is the largest union, the two groups will maintain separate branches covering their different spheres of interest.

An earlier merger of the two unions under the Sogat name fell apart in 1970 after four troubled years.

Sealink officers to discuss next step in fight against cuts

By Our Labour Staff

SHIPS OFFICERS at Harwich meet this morning to decide the next step in their fight against British Rail Sealink's plans to cut ferry services from the port, jobs and pay.

Their union, the Merchant Navy and Airline Officers' Association, and the National Union of Seamen, which represent officers, were shocked to learn that Sealink proposes pay cuts in addition to up to 300 redundancies. This is an unprecedented move by a nationalised industry.

The proposals would cut 284 from a bosun's total weekly earnings of £251 and £28 from an able seaman's pay of £178, the NUS said.

The MNAOA said officers' weekly pay would be cut by more than 10 per cent and there would be a reduction of 14 days in their annual leave. More days in succession before leave was taken would have to

be worked by members of both unions.

Sealink declined to comment on the claims.

Sealink plans to proceed with its first service cut closure of the Harwich-Dumfries ferry on Sunday. One Sealink leader said this could lead to confrontation.

The British Rail subsidiary proposals include cutting ferries on the Zeebrugge route from two to one and reducing minimum levels on passenger ferries to the Hook of Holland.

The MNAOA offered a compromise on Sunday. It says this would cut the boat-making services into groups of £1m a year on current terms. These include retaining an extra ferry to operate alternatively to Zeebrugge and Dunkirk.

The NUS is to meet Sealink and BR on Monday to discuss the union's separate 40-page reply to Sealink's proposals.

Bank union may seek peace with rival

By Brian Groom, Labour Staff

ATTEMPTS WILL be made by some members of the Banking, Insurance and Finance Union to offer an olive branch to its principal rival in the banks, the non-TUC-affiliated Clearing Bank Union.

Bifu's present policy is not to negotiate jointly with the CBU, and their rivalry has at times been sharp—notably over last year's campaign of industrial action by Bifu in the English clearers.

Bifu leaders do not expect the position to change at the union's annual conference in Blackpool next week, but three motions call for various forms of rapprochement with the CBU.

These range from a call for informal discussions "to find some common ground and to establish a measure of communication and understanding," to consultations on a merger.

However, a motion from the London area council and the Luton and Lloyds Sampson House branches is against joint negotiations with the CBU. A motion from the union's executive invites other staff associations and staff unions in banking, finance and insurance to join Bifu.

The policy of the CBU, which was formed two years ago, is to seek closer working with Bifu. Mr Jack Britz, the CBU's general secretary, claims that

members of both unions are increasingly realising that they would be stronger working together, particularly with unions weak and employers strong because of the recession.

Bifu, which is affiliated to the TUC and has 180,000 members in all, has some 75,000 in the five English clearing banks. The CBU comprises the staff unions at Barclays, Lloyds and NatWest, and has 95,000 members.

Clerical, secretarial and computer staff at Barclays Bank International have been awarded 3.5 per cent pay rises by an arbitration tribunal. Bifu has been seeking double-figure rises, but the bank had offered only 8.5 per cent.

London Tube services cut postponed again

By Our Labour Staff

LONDON TRANSPORT has again postponed cuts in peak-time Underground services, planned as a result of the Law Lords' ruling against cheap fares.

The move was welcomed by the National Union of Railwaymen, which said it avoided a clash with the unions. The NUR and the train drivers' union, Aslef, are pledged to oppose the cuts by all means available.

The cuts were due to begin next Monday, after an earlier postponement of a month. No date is now planned for their implementation.

Community project for long-term unemployed backed

John Lloyd looks at temporary jobs plans

STRONG SUPPORT for an extension of the Community Enterprise Programme, providing temporary employment for the long-term unemployed, comes in a report published today by the Manpower Services Commission.

The scheme provides about 30,000 places to projects designed to be of benefit to the community. The Government recently turned down a proposal from the MSC to expand the number of places to 60,000.

In his Budget speech last month, the Chancellor announced a community-based volunteer scheme which would replace the "rate for the job" payments made under CEP by a payment of £15 on top of benefit. That scheme is criticised by Youthaid, the organisation which prepared the report. Ms Clare Short, Youthaid's director, said the Chancellor

appeared unaware of the CEP's success, and that the new scheme had been "widely denounced" for paying low rates.

"The figures he gave suggest that the new scheme will cost as much as the CEP. It is unclear whether the Government was simply ignorant of the success of the CEP model or whether they wish to develop a new cheap labour scheme."

A report on the new volunteer scheme prepared by the MSC will go to its next council meeting on April 27—the first to be chaired by Mr David Young, and the 100th council meeting. It is certain that objections to the scheme will come from the three TUC commissioners on the grounds that it is designed to lower the price of labour.

Youthaid's document on the CEP, based on studies of a number of local schemes and interviews with participants in them, recommends:

- An expansion in the provision for the long term unemployed, but not at the expense of other unemployed groups.
- A review of the measures aimed at aiding the long term unemployed, with a view to developing a co-ordinated programme.
- A closer monitoring of CEP schemes, in particular to ensure that they cater for a wide variety of groups. Many schemes were found to effectively discriminate against women.
- A shift in emphasis to provide more interesting work.
- Payment of London weighting to all CEP workers in London,

rather than—as at present only to supervisors.

- An improvement of working conditions and of health and safety standards.
- A closer involvement of trade unions, including encouraging CEP workers to join appropriate unions.
- Provision of training for CEP workers.
- MSC approval of re-funding of projects well in advance of the ending of schemes, in order to avoid uncertainty.

Youthaid's survey among the schemes' members found a wide variety of applicants, including businessmen, ex-prisoners, skilled workers, artists and graduates. Many, especially those who had previously held unskilled jobs, claimed that CEP schemes had provided

most job satisfaction so far.

This was especially the case where scheme participants had worked with groups such as the handicapped and the elderly.

A number of respondents said their self-esteem had increased through the scheme. Almost all reported that they had suffered from mild or severe depression while being unemployed.

Some dissatisfaction over pay levels came from those with families, who found that the maximum payment of £89 a week set by the MSC meant that they were no better off, or indeed worse off, than when they were on social security benefit.

The report concludes that increasing unemployment will mean fierce competition for the relatively few CEP places.

TUC committee supports Labour programme draft

By Our Labour Editor

THE TUC'S economic committee yesterday approved a draft programme for a future Labour Government—including a planning ministry, a new ad hoc powerful tripartite planning forum, increased industrial democracy and strengthened planning agreements between Government and companies.

The draft will now go to the Labour Party's home policy committee, then return to the TUC-Labour Party liaison committee for amendment.

It is expected to be approved by the TUC general council and Labour's executive in May or June, then receive endorsement of the conferences of both bodies in the autumn following a period of consultation.

Trade union leaders on the committee, which takes in the top officials of most of the major unions, were said last night to be enthusiastic about the plan.

It would usher in a massive increase in the unions' influence over Government decisions

—but would also increase their responsibility to deliver commitments made in their members' name.

The draft calls for the creation of a new planning ministry, taking in the public expenditure functions of the Departments of Industry and Trades, the creation of a new national planning council, of a strengthening of the National Economic Development Council, as a forum for discussion between Government, unions and industry.

It also urges for the development of industrial democracy at plant level, through which workers would become involved in the planning.

The most immediately radical proposal is for a planning department, charged with the preparation of five-year rolling national plans, somewhat on the mechanism would be substantially strengthened over previous attempts to plan by Labour Governments.

Foremen dispute at port

FINANCIAL TIMES REPORTER

THE CONTAINER port at Southampton is facing virtual closure within a month as a result of a dispute over the shortage of foremen.

The British Transport Docks Board, which lost over £10m last year through 11 months of disputes, has told staff that it will suspend all but the day shift on container berths from May 6 if the dispute is not settled by then.

The warning, which has angered the port's 1,300 dockers, is aimed at speeding a settlement.

Under a deal signed by all labour sections in January, the 140 foremen agreed that, after March 31, shortages would be met by short recruitment and

the temporary appointment of "leading hands" or docker supervisors.

Shortly after the deadline passed, the foremen, who previously worked overtime to meet the shortages, declared the deal void and accused dockers of meddling in their affairs.

They have warned of industrial action, but so far there has only been one short walk-out when the management appointed five "leading hands" on a night shift.

The National Association of Port Employers will today announce the result of talks with dockers' leaders on new severance payments to achieve further redundancies.

INVEST

SVILUPPO E GESTIONE INVESTIMENTI MOBILIARI SPA
SHARE CAPITAL LIT. 114,531,242,000
HEAD OFFICE: 25, VIA TURATI - MILAN (ITALY) TELEX 321401

1981 BALANCE SHEET APPROVED BY SHAREHOLDERS' MEETING

Under the chairmanship of Dr. Carlo C. Bonomi, the Annual General Meeting of INVEST—Sviluppo e Gestione Investimenti Mobiliari s.p.a. approved the Board of Directors' Report and the Company's balance sheet as at 30th November, 1981 which closed with favourable results.

Following the capital increase effected during the financial year and the allocations to special reserve made in the course of preceding financial years and the one under review, the Company's accounts show the following:

Capital funds: Share capital Lit. 114,531,242,000; total reserves approx. Lit. 26 billion; unrealised capital gains of about Lit. 100 billion over book value.

The operating results for the financial year can be summarised as follows:

- The Company's investment portfolio, according to the valuations approved by the Meeting, totals Lit. 183,700 million (Lit. 151,092 million in 1980) of which 82% of which is invested in subsidiaries and about 34% in associated companies.
- Invest's equity interests based on book value and comprising sub-holdings are distributed as follows: the insurance sector (Milano Assicurazioni, La Fondiaria) accounts for approx. 41%, the industrial sector (Mira Lanza, Saffa, Fisac, Star) 36%, the financial-banking sector (Banca Mercantile, Finanziaria Milanese, Finagestion, Cematina) 18%, and 5% is invested in other sectors (Milanagricola Vittoria) or shareholdings outside the group.
- The profit and loss account, before the adjustment of the book values of a number of shares, shows a pre-tax profit of Lit. 10,934 million.

The net profit of Lit. 7,545 million after deductions to cover the proposed allocations (Lit. 2,498 million) and provision for taxation for the year (Lit. 593 million) permitted the meeting to resolve on the distribution of a dividend of Lit. 120 per share. This dividend is equal to that of the preceding financial year but is payable also on the new shares deriving from the capital increase.

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APPOINTMENTS

Royal Bank of Scotland posts

THE ROYAL BANK OF SCOTLAND has appointed Mr Robert M. Maiden and Mr William R. McKim, general manager (financial control) and general manager (electronic data processing) respectively to its board. Mr Peter H. Frank has been appointed director of corporate planning and development at CHUBB & SON. He joins the company from Tube Investments where he was director, corporate planning. Following Mr A. H. S. Baker's resignation as chairman and director of BAKER ELECTRONICS, Mr L. G. Hazard has been appointed as director and non-executive chairman. PICKFORDS TRAVEL has promoted Mr Brian Crook to finance director from chief accountant and Mr Nigel Robinson property director from company surveyor. FENCURCH SCOTT REINSURANCE BROKERS has made the following appointments: Mr D. Hughes has been appointed financial accountant and Mr Nicholas W. C. Carter becomes an assistant director on May 1. Following the acquisition of 40 per cent of the share capital of Gray's Inn (Underwriting Agency) by STEWART & HUGHMAN and PENINSULAR UNDERWRITING AGENCY, Mr C. N. Lewis has joined the board of Stewart & Hughman and Peninsular. Mr B. A. Stewart and Mr D. C. Craig have been appointed to the board of Gray's Inn. Mr D. A. Barker and Mr P. G. Skilwell have been appointed directors of Peninsular. Mr John C. Stimpson has been appointed manager of the London headquarters office of SALOMON BROTHERS INTERNATIONAL. Mr Stimpson, a vice-president of the New York investment banking firm, has been responsible for equity, convertible and option sales in the London office since 1977. THE BRITISH AEROSOL MANUFACTURERS ASSOCIATION has made the following changes to its executive committee: Mr George Hodgson has resigned as chairman and Mr Ian Brash of The Crown Cork Co. has been elected chairman of the association in his place. He was vice chairman. Mr Michael O'Donovan has been elected vice-chairman. TOUCHE REMNANT AND CO. (TR) has made the following changes within its investment trusts: At TR Technology Investment Trust Sir Henry Chilver, vice chancellor of the Cranfield Institute of Technology, has been appointed to the board. At TR Australia Investment Trust Mr M. R. Block, a director of M and G Investment Management and Mr A. E. Buxton, finance director of The Rio Tinto Zinc Corporation, have been appointed to the board. TR North America Investment Trust has appointed Mr C. J. Kendrick, a U.S. citizen and chairman of Alliance Capital Management International Inc. and Mr N. M. Shaw, a Canadian citizen and group managing director of Tate and Lyle, to the board. Mr K. St. Johnston, chairman designate of Overseas Containers, has been appointed to the board of TR Pacific Basin Investment Trust from May. At TR Natural Resources Investment Trust Mr R. J. Assheton, chairman of RTZ Borax, and Mr D. L. Donne, chairman of Dalgely, have been appointed to the board. TR Property Investment Trust has made the following appointments: The Marquess of Tavistock, Mr G. C. Mutton, Sir Jack Hughes and Mr P. C. Hyde-Thomson have been appointed to the board. The Marquess of Tavistock has assumed the chairmanship. Sir Anthony Touche and Mr A. I. McDonald have resigned from the board. Mr A. I. McDonald has been appointed to the board of TR Industrial and General Trust. TR Trustees Corporation has appointed Mr A. I. McDonald to its board. Mr A. T. Firth has been appointed regional chairman of INDUSTRIAL TRIBUNALS at Leeds. MOTT, HAY AND ANDERSON has made the following appointments: Mr Peter J. Clayson, has become an associate director of Mott, Hay and Anderson Holdings and a director of Mott, Hay and Anderson International. Mr David E. Palmer has been made a director of Mott, Hay and Anderson. POINTON YORK GROUP has appointed Mr Stephen Hornbuckle, Mr Gareth Marr and Mr Steven Mitchell to the board of Pointon York (Insurance and Pension Services), the holding company for its insurance broking, pensions, life assurance and tax planning services. Mr M. E. S. Henry, managing director of the COATS PATONS New Ventures Group, will also serve as chairman of AXIOM ELECTRONICS which the Group has acquired. The remainder of the AE board are: Mr G. L. J. Gill, managing, Mr W. J. Knight, marketing, Mr P. J. Chamberlain, sales, and Mr D. De Rycke, administration. Dr P. W. Foster and Mr L. T. McGonry of Coats Patons serve as non-executive directors. LADBROKE HOTELS has appointed Mr David Michels as its sales and marketing director. Mr Michels was sales and marketing director with Grand Metropolitan Hotels.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1975=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

Table with columns: 1981, 1982, 1st qtr., 2nd qtr., 3rd qtr., 4th qtr., July, Aug, Sept, Oct, Nov, Dec. Rows: Indl. prod., Mfg. output, Eng. order, Retail vol., Retail value, Unemp. employed, Vac.

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

Table with columns: 1980, 1981, 1st qtr., 2nd qtr., 3rd qtr., 4th qtr., Aug, Sept, Oct, Nov, Dec. Rows: Consumer goods, Invest. goods, Intmd. goods, Eng. output, Metal mfg., Textile, Mousg. etc. starts.

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

Table with columns: 1980, 1981, 1st qtr., 2nd qtr., 3rd qtr., 4th qtr., April, May, June, July, Aug, Sept, Oct, Nov, Dec. Rows: Export volume, Import volume, Visible balance, Current balance, Oil balance, Terms trade, Resv. trade US\$bn.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months growth at annual rate); domestic credit expansion (£m); building societies' net inflow; EP, new credit; all seasonally adjusted. Minimum lending rate (and period).

Table with columns: 1981, 1982, 1st qtr., 2nd qtr., 3rd qtr., 4th qtr., June, July, Aug, Sept, Oct, Nov, Dec. Rows: M1, M3, Bank advances, DCE, BS, HP, MLR.

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufacturing products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

Table with columns: 1981, 1982, 1st qtr., 2nd qtr., 3rd qtr., 4th qtr., July, Aug, Sept, Oct, Nov, Dec. Rows: Earnings, Basic matls., Wholesale mng., RPI, Foods, FT commodity, Strig.

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Crav Alimentos S.A.C.I. Alameda 11-12th floor Santiago, Chile Telephone: 724-008 Telex : 40626 CRAV CL



Camco International Capital Corporation

Notice to Holders of 5 1/2% Subordinated Guaranteed Debentures due April 15, 1984. Notice is hereby given by CAMCO INTERNATIONAL CAPITAL CORPORATION hereinafter called the "Company" that pursuant to the provisions of (a) Article Three of the Indenture dated April 15, 1969 between the Company, Camco, Incorporated as Guarantor, and First National City Bank (now known as Citibank, N.A.) as Trustee and an amendment to said indenture dated November 20, 1977 whereby Republic National Bank of Dallas was appointed Successor Trustee, and (b) resolutions of the Boards of Directors of the Company and Camco, Incorporated pursuant thereto, the Company has elected to redeem and will redeem on May 17, 1982 all of its then outstanding 5 1/2% Subordinated Guaranteed Debentures due April 15, 1984 at 100% of the principal amount thereof together with all accrued and unpaid contingent interest on said principal amount to May 17, 1982 plus a redemption premium equal to 3% of the principal amount. All Debentures so called for redemption will be paid on or after May 17, 1982, upon presentation and surrender by mail or in person (a) at the corporate trust office of Citibank, N.A. in New York, New York, or (b) at the main offices of Citibank, N.A. in Amsterdam, Brussels, Frankfurt/Main, London (City Office), Milan and Paris, or (c) at the office of Banque Generale du Luxembourg, S.A. in Luxembourg. All interest coupons maturing after May 17, 1982 must be attached to said Debentures. From and after May 17, 1982, interest on said Debentures will cease to accrue. At the option of the holder of any said Debentures, at any time on or before the close of business on May 17, 1982, the principal of any Debenture may be converted into Common Stock of Camco, Incorporated at the current conversion price of U.S. \$8.40. Conversion of any Debenture shall take place upon the surrender of such Debenture with all unexpired coupons pertaining thereto to Camco, Incorporated at the office of any of the above listed paying and conversion agents, together with a written notice of election to convert executed by the holder, specifying the name or names in which the shares of stock deliverable upon such conversion shall be registered, with the addresses of the persons so named. As promptly as practicable, Camco, Incorporated will deliver a certificate or certificates representing the number of shares of Common Stock into which such Debentures are converted with cash payable in respect of any fractional shares. The market price of Common Stock of Camco, Incorporated has historically exceeded the conversion price. Therefore, the Company and Camco, Incorporated advises holders of said Debentures to convert said Debentures, rather than to redeem them. All rights to convert said Debentures shall expire at the close of business on May 17, 1982. Dated at Houston, Texas, April 1, 1982.

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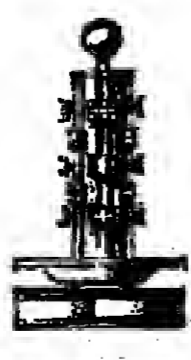
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Cement-Roadstone

Table with columns: 1981, 1980, % change. Rows: Group Sales, Profit before taxation, Total Dividend per share, Earnings per share, New Investment.

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Cement-Roadstone Holdings Limited Ireland's biggest industrial company with expanding interests overseas.

... Dr. Michael J. Dargan, Chairman. Copies of the Annual Report are available from the Secretary, 19 Lower Pembroke Street, Dublin, 2.

TECHNOLOGY

EDITED BY ALAN CANE



Helicopters deal for Westland

RESEARCH INTO the use of fibre-optics — passing light signals through glass fibre rods — as a means of improving the speed and accuracy of aircraft controls and other systems, is now being explored by the Royal Aircraft Establishment (RAE) at Farnborough.

Recently, the RAE awarded Westland Helicopters of Yeovil a two-year, £581,000 contract to study and develop a prototype system whereby fibre-optics could be used to control many of the functions of modern military aircraft, such as computerised navigation, communications, weapons aiming and radar information retrieval.

The aim is for Westland to explore the possibilities of employing fibre-optical systems as "data-buses" aboard aircraft — providing circuits along which computerised information signals could be sent to be picked out at specific points as required, rather like an electrical ring-main circuit functions.

Each point on the fibre-optics circuit would have its own data processor, which would enable it to identify the information it needed.

MICHAEL DONNE

Support sought for London siting of trademarks office

BY BARRY FOX

THE Government is seeking publicity and support for its bid for a London siting of the European Community Trademark Office. This would bring jobs to Britain and safeguard the future of the London Registry handling British trademarks.

The need for this safeguard is underlined by the quality of service offered by the London Patent Office since the decision to site a central European Patent Office in Munich.

The Patent Office defends its performance by pointing to a fall in the backlog of patent applications trapped in various pipelines. Over 34,000 are waiting to be vetted. Two months ago there were over 35,000.

Six months ago, 18,000 cases which had been accepted for grants were waiting to be published. Now there are 14,000 in the queue.

This seems hardly an encouragement for the European Community to site its trademarks office here if and when the Community Trademarks Scheme is finally created. The constant reshuffling of Department of Trade Ministers responsible for the highly specialised area of patents and trademarks has ensured that none is ever genuinely *au fait* with the subject.

Furthermore, the Patents Office seemingly does little to keep the Department of Trade informed of its doings. The Office says it keeps the Department up to date on "key" issues but not on day-to-day matters. But the PO itself decides what rates as a "key" issue.

The professional body representing British patent agents, the Chartered Institute of Patent Agents acknowledges it makes no effort to communicate with the public. It regrets it but believes the cost of a publicity drive similar to the Law Society's "Whatsname" campaign would be prohibitively expensive and not worth pursuing.

The British Library, which is responsible for the Science Reference Library house, in the Patent Office building (once called the Patent Office Library) has done more than all these other bodies put together to publicise the value of patents as a source of technical information.

The decline of British patents started in June 1972 when representatives from 21 European countries voted in Luxembourg, on the siting of a Patent Office to handle European and community patent applications.

An estimate of German origin, put the likely proportion of British language Euro-patent filings at about 60 per cent. This is because of the large number of filings from the U.S. and Canada, and in Japanese-English.

But the Germans pulled a massive stroke and published a glossy brochure in advance of the meeting, implying that a Munich siting was a foregone conclusion. Nineteen of the 21 countries voted for Munich, with only two abstentions including the UK.

The first Europatent scheme came into force in June 1978 and sure enough half the filings passing through Munich (more than 20,000 a year) are

in the English language. As a result, the British Patent Office, and British patent agents, are suffering. Profitable work from abroad that would have once passed through their hands in Britain, now never reaches these shores.

Because this problem was predictable, and predicted, Britain was promised a sub-contract for handling 13.3 per cent of all Munich's work for 15 years. Wisely, Europatent applications started to roll in, 900 cases were duly sub-contracted to the London Patent Office for a fee of £400,000.

Sub-contract

These are still plenty more work where this came from because, as the Japanese, in particular, are finding out to their cost, there are not enough British examiners in Munich to cope with all the English language cases. As a result, Japanese inventors are often having to describe their inventions in English, and argue on their validity with a German examiner.

But astonishingly, the British Patent Office quietly told Munich last year that it didn't want any more of the sub-contract work.

The news broke only when the European Patent Office published its annual report. The London Patent Office then said it had rejected further work because it did not have enough staff to cope with its own British workload.

The Patent Office now employs about 1,300 staff, compared with around 1,600 10 years ago. But although the number of

British patent filings is falling, the London office staff is so pressed that the law has had to be changed to give everyone an extra year to put their patent applications in order.

At a time when so many science graduates are out of work it is hard to find any logical justification for Britain's refusal to take on staff to handle work in hand or sub-contracted from abroad on a self-financing fee scale.

Other economies at the London office are crippling to industry. Companies must know what patents they are likely to infringe before embarking on research or tooling up for manufacture. But at the end of last year the London Patent Office suddenly withdrew a vital card index which listed the titles of recently published patents and their inventors' names.

The card index was replaced by a computer list of numbers which no longer gave the titles and was inaccurate. Some patents are, for instance, now filed not under the name of the inventor or company, but under T for The. As with the rejection of sub-contracted work from Munich, the Patent Office had not told its Department of Trade masters in Victoria Street of the move taken.

There was even an attempt to blame the British Library, which merely provides space in its premises for the indexes. Finally, and reluctantly, the Patent Office admitted responsibility. A spokesman also admitted that he had never actually tried to use the search system before changing it.

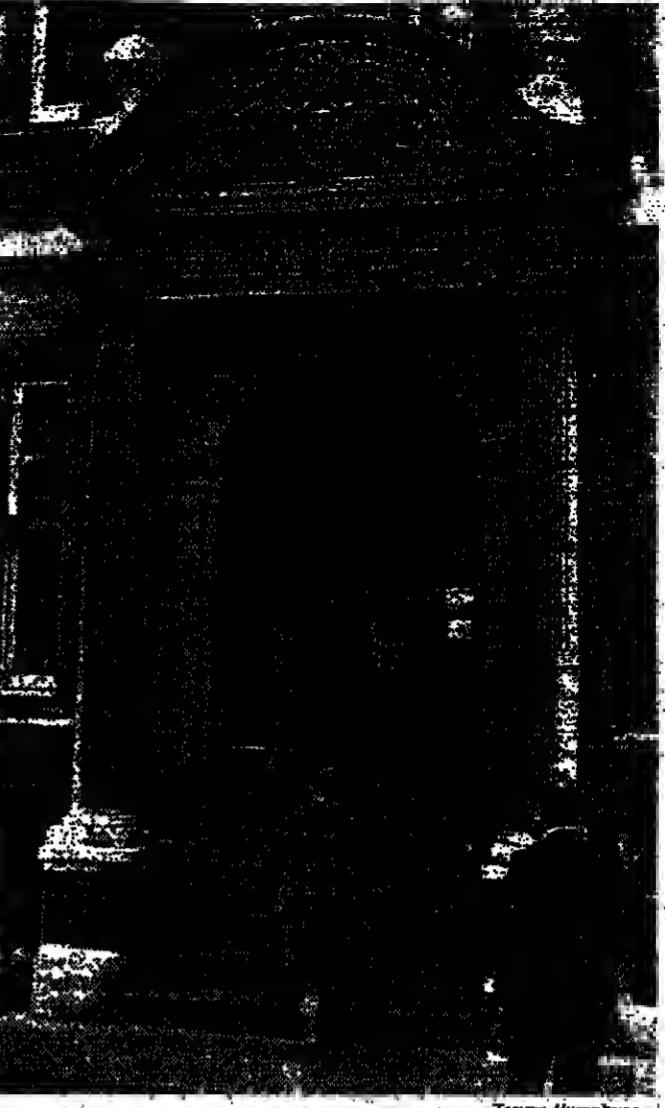
By a miscalculation, which has never been satisfactorily explained, the Patent Office underestimated by 50 per cent the number of British applications that would be filed under the new British patent laws which came into force in 1978 along with the Euro-scheme. So it ran out of printing capacity.

Instead of taking on more staff to cope with the profitable demand, the Office simply stopped printing newly granted patents to create a backlog of several thousand granted but unpublished patents.

Often, inventors cannot licence their inventions without a granted patent. So they have been stymied by official inaction. This story came out into the open only when one inventor made history last summer by bringing parliamentary pressure to bear on the Patent Office to print and grant his patent, alone, out of the stockpile of unpublished material. Only now are more cases being routinely printed, to bring the backlog down to 14,000.

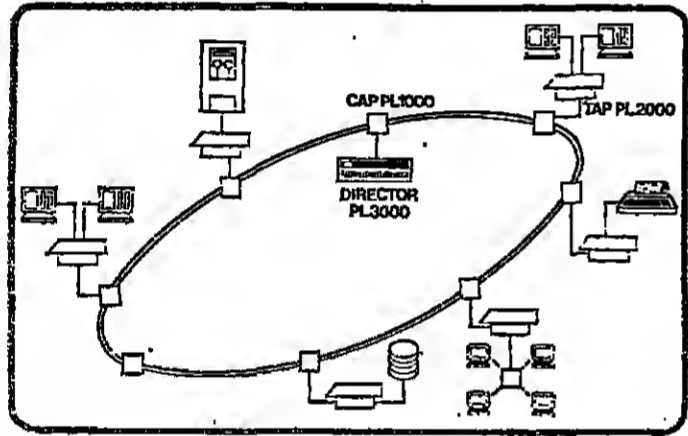
Whether the British bid for a London siting for the European Trademarks Office is successful, any publicity it creates may have the happy effect of making the Government more aware of what is going on in the London Patent Office. Action may then be taken to improve its increasingly jaded image.

Barry Fox is a freelance writer specialising in patent. He is an associate member of the Chartered Institute of Patent Agents.



Callers at the London Patent Office at Southampton Buildings, London WC2.

Planet from Racal-Milgo is an office Spring offering



Planet has three components—the ring controlling Director (PL 3000), cable access points (PL 1001 and PL 2000).

Racal group. It has joined the local area network bandwagon with a version called Planet.

Planet—which stands for private local area network—is a data ring main. It is a ring of cable which can encircle all or part of an office or building to which can be connected different office equipment from word processors, computer to printers.

Different manufacturers' equipment can be connected via the ring so that the user does not have to invest in new office systems to instal the network.

Partly funded by a Department of Industry grant, Planet was developed at Racal-Milgo's laboratories in Reading. It will be manufactured at the company's UK factory at Warrington.

Apart from the cable, there are three basic components—director to control the system,

cable access points which link into the ring and the terminal access points into which the various pieces of equipment are plugged.

Like Xonics, which produces the Xinet local area network, Racal-Milgo has opted to control the network using a micro-processor based device called the director.

Planet uses a coaxial cable allowing data to whizz around the network at a speed of 10Mbit/s however, equipment connected to the ring slow the passage of data down giving a maximum practical speed of 3.5Mbit/s.

Transmitting data from one piece of equipment connected to the ring is rather like playing with model trains on a circular railway track.

Empty electronic packages of information travel around the ring until they reach a piece of equipment such as a word processor which wants to send some

data. The packages are filled up and given a destination address.

The packages continue around the ring until they find the device with the correct address. They carry the information and carry on around the ring to pick up a new load of data.

Up to 500 devices can be plugged into the cable ring in the same way that electrical appliances are connected to the mains in any home.

Full system

With a full system of 500 devices connected data can be passed between them at a rate of 7 Kbit/s but with only 170 units plugged into the network the maximum speed is raised to 19.2 Kbit/s.

A combination of speeds is possible as long as the 3.5 Mbit/s maximum realisable rate is not exceeded, Racal-Milgo says.

Racal-Milgo says that it is possible to communicate with several devices simultaneously or to provide conference facilities. Where devices are in frequent communication it is possible to establish a "virtual circuit" where the two pieces of equipment appear to have a permanent direct link.

Racal-Milgo uses a twin coaxial cable so that if a cable breaks, or a fault develops in the terminal access equipment, the system will automatically work out alternative routing to remain operational.

Mr John Babb, Racal-Milgo's marketing director, says the company is to sell a starter kit for about £5,000 which provides a customer with everything for a basic installation. This can easily be expanded without needing to make major changes in the network.

ELAINE WILLIAMS

Medical camera introduced

A HIGH definition video camera for use in medical and specialist industrial fields has been introduced by Sony.

The DXC 1850P weighs only 710 grammes and its size has been reduced to only 59mm by 59mm by 196mm depth.

Sony says that the camera gives 400 lines of horizontal resolution compared with 300 lines available of most single cube cameras.

The control unit for the camera can be operated on AC or DC power. It incorporates automatic white balance, with battery back-up for white balance memory.

THE CONCEPT of local area network for inter-office communications has blossomed over the past 12 months and the latest spring offering has come from Racal-Milgo, part of the

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CALDIS Ltd., Reading, Berks, (0734) 585171
CRELLON ELECTRONICS Ltd., Slough, Berks, (06286) 4434
HAWKE ELECTRONICS Ltd., Sunbury on Thames, Middx, (01) 979 7799
ITT ELECTRONICS SERVICES, Harlow, Essex, (0279) 26777
JERMYN DISTRIBUTION, Sevenoaks, Kent, (0732) 58144
MACRO-MARKETING Ltd., Slough, Berks, (06286) 4422
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THE RADIO RESISTOR Co. Ltd., Bedford, Beds, (0234) 47188

Motorola Semiconductors, today, is ideally placed to play a prominent role in such a telephone system. Its new Complementary Metal Oxide Semiconductors (CMOS) operate at exceptionally high speeds (20 times faster than conventional CMOS) with a sufficiently low power consumption to work on telephone systems at about 100 times less than a Low Power Schottky Transistor/Transistor Logic (LSTTL) would require.

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A manufacturer that leads the world in semiconductor technology. With a product range that's number one around the globe. And a network of sales offices and distributors that can guarantee local assistance anywhere in Europe. And that company is Motorola: a company that's ready and equipped to be your knowledgeable electronic partner, in any industry. Especially in instances like the one above, where an innovative component can open up the possibility of generating entirely new solutions.

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Motorola Ltd., York House, Empire Way, Wembley, Middlesex HA9 0PR.

MOTOROLA

Processing from Itek

THE U.S. based company Itek first entered the high technology phototypesetting market five years ago with the Quadriplex 1500 direct entry system, aimed at the small inplant, and small commercial printer.

Since then it has raised its turnover from £50,000 to £25m and has built up a worldwide photocomposition business.

In addition, however, the company has realised—as have many others in computing that started with a one-function screen-based system—that other kinds of work could be done on the same machine the hardware essentials are already built in.

So, Itek's latest system, the 1400/1500, offers word processing and office data processing as well as screen-based typesetting. Up to four VDUs can be deployed, each doing different work.

There is no central processor. Each module—VDU floppy disc store and phototypesetter—has its own microprocessor and they can operate independently as well as talk to each other to allow multiple applications.

Priority order

Productivity is also enhanced by a "foreground/background" software approach that allows the operator to keyboard or edit (in the foreground) while other jobs, previously keyed, are being typeset in the background.

Up to nine jobs can be queued, waiting to be typeset, and at any time their priority order can be altered as can the face in which they are to be set.

The flashed projection typesetter uses the company's Quadriform system—sets of acrylic type masters shaped like segments of a circle that are simply inserted through a front panel hatch. Setting speeds are up to 50 lines/min.

All the usual composing functions are available on the screen including hyphenation, justification, search and replace, line spacing, tabbing and scrolling.

The fundamental advantage of the system is that changes and corrections can be made on-line, so saving time-consuming paste-up operations at the hard copy stage.

Itek's London office is on 01-263 3080.

GEORFFREY CHARLISH

Sony video

SONY SAYS it has completed the launch of its new generation of U-matic video equipment with the introduction of the VO 5630 player/recorder and the VP 5030 player.

They are triple standard machines (PAL, SECAM, and modified NTSC).

New Issues April 14, 1982

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This announcement appears as a matter of record only.

مكازم الاول

Accountancy Appointments

Financial Director

RTZ Extruders Limited, based in Widnes, is one of the leading UK aluminium extruders and anodisers and is a major company within the Pillar Aluminium Group.

The Company wishes to appoint a Financial Director/Company Secretary who will advise the board on financial strategy and ensure the planned profitability and progress of the Company. He/she will also have overall responsibility for the effective operation of financial and costing systems and will be involved with budget preparation, capital expenditure reporting and computerisation of systems.

Candidates should be aged 30-45 and be qualified accountants with substantial appropriate industrial experience.

This is a senior appointment and remuneration will be very attractive and will include profit share. Benefits include a company car and membership of the RTZ contributory pension scheme.

RTZE a member of the RTZ Group

Please apply giving details of qualifications, experience and current salary to: A. A. Wright, Personnel Manager, Pillar Aluminium Limited, Pillar House, 113/115 Bath Road, Cheltenham, Glos. GL5 7LS.

Create an Audit Department

A little over five years ago this Company was a concept. As a result of prestigious backing it now has a turnover in consumer products which approaches £200 million, is operating profitably and continues to expand at a rapid rate. Development at this pace has been achieved by the highest standards of management in every facet of the business, including finance and accounting.

There is now a requirement for a Graduate Chartered Accountant who will set up the internal audit function and create its standards. It is an ideal opportunity to move from the profession to commerce and will lead to promotion to alternative roles for a successful individual. Applicants must have trained with one of the large international firms in London and will have had about 18 months post qualification experience. An attractive salary will be paid, plus company car. The Home Counties base is west of London. Assistance with relocation will be considered where appropriate.

Please apply in confidence quoting reference 6089 to
 Brian Mason
 Mason & Nurse Associates
 North West House
 119-127 Marylebone Road
 London NW1 5PU
 Offices in London & Birmingham

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 Selection & Search

Group Financial Accountant

Central London c. £15,000 + bonus

Our client is the major European subsidiary of a multi-national American corporation, with an annual turnover in the U.K. of over £100m. It is the undoubted market leader and its main activity is importing and distributing consumables.

As Group Financial Accountant you will be responsible, immediately, for all financial accounting and reporting, taxation, computer systems development, control of working and fixed capital resources, and the practical application of accounting standards.

You will be a qualified A.C.A. or A.C.C.A. aged around 30, and must have

had some commercial accounting experience. At this stage in your career, you will be looking to assume your first senior financial control appointment of substance, with a view to developing these skills in the short term.

Suitable candidates should send a copy of their c.v., as soon as possible, clearly stating a daytime contact telephone number, in strict confidence to Peter Wilson, F.C.A., at Management Appointments Limited (Recruitment Consultants), Albemarle House, 1 Albemarle Street, London W1X 3HF. Tel: (01) 499 4879.

Management Appointments Limited

ACCOUNTANCY APPOINTMENTS
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EUROPEAN AUDITOR

West London Base

Salary £14,000
 (Depending on Qualifications and Experience)

National Semiconductor is a world-leader in the development, manufacturing and marketing of micro-electronic components. Operations have recently been expanded by the Company's entry into the marketing of large computer systems.

The Company is now seeking an experienced professional auditor who will be based in our offices in West London and who will conduct financial, operational, and EDP reviews throughout the Company's 17 European locations. The position thus entails interaction with senior international management within a 65% travel schedule, and requires imagination and initiative in the planning and carrying out of reviews.

The management style, like the technological and marketing environment, is fast moving and responsive. Responsibility is on a staff basis to a European Director based near Munich in west Germany but on a direct report basis to the Director of Internal Audit—worldwide, at the Corporate Headquarters in Santa Clara, California, USA. Prospects are excellent for progress within the Corporation.

The successful candidate is likely to be a qualified accountant, aged over 28, and with at least four years' post-qualification experience, preferably in an international environment. Additional valuable attributes would be the possession of a degree, fluency in a second European language, and EDP audit experience.

Please write with full CV to:
 Mrs. Cathy O'Rourke,
 Personnel Administration Manager
 National Advanced Systems (Europe) Corporation
 65 Staines Road, Hounslow TW3 3HF, Middlesex



Chief Accountant LONDON

A major supplier of building materials now needs a Chief Accountant. You will report to the Managing Director and must be prepared to back your own judgement.

Your role will be to provide a full accounting service to the company. Experience of working with computers is important as you will play a leading part in setting up a computerised system. You must be fully qualified and have experience in industry.

This profitable and expanding company with a current turnover of £5m offers a career opportunity which carries a salary of around £13,500 plus the usual company benefits.

Write or telephone for an application form to: George A. Low, Beechwood Recruitment Limited, 221 High Street, London W3 9BY. Telephone 01-992 8647 (24 hours).



These positions are fundamental to the attainment of expansion and business goals

NL Information Services is a new group within NL Industries Inc., a \$2.5 Billion Corporation. NL Information Services is currently establishing a new divisional headquarters in Hayes, Middlesex where two key accounting positions are being introduced:-

Controller-Designate - c. £16,000

To direct and supervise the financial and accounting activities with the emphasis on accounting systems, planning and budgets, credit and collections, taxes, and financial business organisation.

The position will require a thorough knowledge of accounting and finance procedures, management ability, experience with computerised accounting systems, and of international operations.

Senior Accountant - c. £11,000

To perform the accounting functions necessary for the preparation of financial statements in conformance with established accounting policies and procedures.

At least three years experience in general accounting is essential, with strong analytical skills and the ability to relate to international operations management.

Both positions require chartered accountant status and offer exciting opportunities for career growth in a stimulating and challenging environment. Please write with full career details to:-

N.R. Skinner, NL Information Services,
 Unit 10, Pasadena Trading Estate, Pasadena Close,
 Hayes, Middlesex, UB3 3NQ.



GROUP FINANCIAL CONTROLLER

Age 28-35

Slough c.£17,500

A senior member of a small headquarters team, the Controller will develop business strategy and performance both at a corporate and operating unit level. Required to show both innovative and technical skills in management accounting and systems, he or she will monitor and appraise results and strategy. The position necessitates considerable exposure to senior management and provides excellent prospects for promotion.

A division of one of the world's leading consumer products groups, our client has grown rapidly to turnover of £40 million. The further growth forecast places a premium on individuals with high potential. Applicants should be graduate qualified accountants with commercial flair. Please write, enclosing a career history and daytime telephone number, to David Hogg FCA quoting reference V/2126.

EMA Management Personnel Ltd.
 Holton House, 20/23 Holborn, London EC4N 2JD
 Telephone: 01-242 7773 (24 hour).

Graduate Accountants Management Services

SURREY. Towards £13,500 + car and benefits

Our client is a major expanding UK company with several manufacturing locations in this country.

A very interesting vacancy has arisen, based at the group HQ, entailing the review of management systems across all functions of the company and calling for considerable analytical skill and tact. It will appeal particularly to ambitious accountants who enjoy working on new problems and in unfamiliar situations.

Candidates, male or female, will be aged around 30 and have several years' industrial experience. Benefits are especially good and career prospects excellent.

Please write to M. J. B. Ping, or ring Higson Ping Limited for a personal history form quoting reference P.1409 (F).

Higson Ping Ltd./Executive Recruitment Consultants,
 110 Jermyn Street, London SW1Y 6HB.
 Telephone: 01-930 4196 (24 hour answering service).

Corporate Treasury

Age 26-32 To £15,000

This post is in the corporate treasury department—located in Central London—of a large British company with a current turnover of over £100m from its multi-national commercial and industrial operations.

It offers an excellent opportunity for personal and career development through broad and rapid exposure to all aspects of the department's work.

The initial task is to assume responsibility within the day-to-day management of UK funds and central currency requirements. In the short term, the role will expand to include the undertaking of other non-routine assignments and projects for the Corporate Treasurer on an international basis.

The requirement is for a professionally qualified accountant or a graduate with a relevant degree, with a demonstrable capacity for treasury work gained in a corporate treasury department or in a substantial bank.

Please write in strict confidence with full personal and career details, quoting ref. 937/FT, to:

Philip Smith,
 Manpower Consultants
 85-87 Jermyn Street, London SW1Y 6JD

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CHIEF ACCOUNTANT

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A.C.A./A.C.C.A. (30-40) as a member of the Senior Management team will assume total responsibility for a large structured accounting and finance department, based at an impressive UK Head Office.

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The client is a successful, well-known Service Company with a vast UK network and a parent Group with an equally impressive European operation.

In the first instance contact J.R. Adcock. 01-405 6855
 307-308 HIGH HOLBORN, LONDON WC1V 7LL

Systems Accountant

Major London Stockbrokers To £14,000

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COMPUTER AUDITOR

Moore Corporation of Canada, the world's largest manufacturer of Business Forms, require an experienced Computer Auditor. The individual must have technical competence, preferably an accounting designation, diplomacy and good communicative skills.

Operating from London, applicants should be self motivated with the ability to work both alone and in conjunction with financial and computer audit staff at the Company's many locations. A maximum of 50% travel throughout Europe and the rest of the world is envisaged.

Prospects for promotion are excellent in this \$ billion World Leader. Please send applications with curriculum vitae immediately to:

Human Resources Executive—Employee Services
 Moore Business Forms Limited, 42 The Centre, Feltham, Middlesex.

ACCOUNTANCY APPOINTMENTS
 Appears Every Thursday

FINANCIAL ACCOUNTANT

c. £12,000 + car

Qualified Chartered Accountants aged between 27 and 32 with a minimum of three years in commerce are invited to apply for this interesting position. The successful candidate, with the ability to work unsupervised to tight deadlines, will be responsible for all aspects of financial accounting. The company, currently based in South London, will relocate to the Surrey area in the autumn.

Please send detailed c.v.'s to Mrs. S. H. Horner
 Accounting Overseas (Apt), 225 Regent Street, W1R 8JA
 or telephone Sue Welborth on 01-727 5481

Accountancy Appointments

Group Financial Controller

West End
c.£17,500

The UK subsidiary group of a Swedish company, with a turnover in excess of £200 million, has immediate and longer term plans for expansion beyond the present volume of business in the UK of £30 million. Company industries include forestry and forest products, such as paperboard, pulp and timber, chemical products and engineering.

From a sound and long established base in the UK, the Financial Controller will replace the present incumbent, who retires this year and work closely with the Managing Director on the further development of the business. The work will be varied and range from accounting to corporate financial matters. It will also include company secretarial and administrative responsibilities.

The person appointed is likely to be a Chartered

Accountant, aged around 35, with a mature financial sense and proven record of success. Experience in a processing industry, packaging or wood products will be particularly useful.

Applications, which will be treated in confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Alan Crompton, quoting reference 1052/EY on both envelope and letter.

Deloitte Haskins + Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Financial Director

SURREY c.£13,500 + car

Our Client, a medium size specialist engineering Company, part of a large Group, is seeking to appoint a Finance Director and Company Secretary.

The Director will be responsible to the Managing Director for the total financial function with particular emphasis in the short term on the introduction of effective costing and financial management systems.

Applicants should be qualified accountants (ACA/ACCA) aged 30-40 with several years post qualifying experience of financial control at a senior level in the engineering industry. Previous exposure to the introduction of computerised systems would be an advantage.

REWARDS: In addition to a starting salary negotiable c.£13,500 a car is provided. Other benefits include assistance with relocation where necessary. Applicants of either sex apply in confidence. Ref: 864

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- new challenge. Take control of the total finance function of a new sales and distribution centre for a major electronics group. Be the link between production and export. Implement management reporting systems for an expanding concern. Ideal for bright young CA with commercial acumen. WATFORD.

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Apply in writing to Box A7825, Financial Times, 10 Cannon Street, EC4P 4BY.

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International Appointments

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Candidates will be in their late 20's or early 30's and will have well developed international term lending skills combined with negotiating ability. Experience in international leasing would be advantageous. Salary is negotiable around £18,000-£20,000 and the generous package adds significant financial benefits. (WWW446)

Candidates should write briefly and in confidence to Executive Appointments Ltd., Executive Selection Division, 18 Grosvenor Street, London W1X 9FD quoting reference. No identities divulged without permission.

ESD is the Executive Selection Division of EAL

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Replies should include details of your background and career to-date, nationality and geographical preference and be sent to:

Roger J. Davis, Vice President,
Merrill Lynch International,
27 Finsbury Square,
London EC2A 1AQ, ENGLAND.

Merrill Lynch

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The position is located in attractive corporate headquarters in Paris.

Send resume to N° E 14453 Condesse Publietta, 20, av. de l'Opera, 75004 Paris Cedex 01, who will forward.

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50 MILES SOUTH OF PARIS c.£12,000 pa
A manufacturing subsidiary of a Fortune 500 U.S. Corporation is looking for an Accountant to be responsible for all aspects of reporting to its parent company in Chicago. The successful applicant will probably be a Graduate CA either recently qualified or with up to 2 years' post-qualification experience. Total competence in consolidations and foreign exchange accounting is essential, as is ability to work to tight deadlines. Knowledge of French would be a distinct advantage. Send cv in full confidence to: Nigel Hawker, C.F.E.C., #680 Ouarville, France

VACANCY FOR POSITION AS FINANCIAL CONTROLLER

THE COMPANY
The Company which is based in the suburbs of Lagos, the capital city of Nigeria, is a well established manufacturer of range of consumer, travel bags and briefcases and already commands a major share of the rapidly expanding market. They have embarked quite recently on a substantial expansion programme involving the building of a new factory at a better location and the importation of machinery capable of doubling present production. Turnover which is presently N5 million p.a. (i.e. \$2 million p.a.) is expected to double within two years of the new facilities being available. (The company uses a "Micro-computer" TRS 80 Model II).

THE JOB
All aspects of the company's activities are presently under the control of the major shareholder who is the Managing Director. He now wishes to recruit a Financial Controller with General Management experience to run the company's day to day affairs leaving him free to devote time to his other business interests (involving considerable worldwide travel) whilst only involving himself with policy matters. The person recruited will be responsible for:-
(a) Ensuring the coming on stream of the expansion programme as projected.
(b) Following an aggressive marketing approach through the appointed distributors.
(c) Maintaining long range/short range financial planning.
(d) Ensuring cost effectiveness in all production areas whilst having available full comparison with detailed standard costs of production.
(e) Proposing and monitoring pricing policies.
(f) Control of all staff.
(g) Co-operation with Banks and Finance Houses for securing Loans, Cash Flows, etc.

THE PERSON
The successful applicant is likely to be aged between 40 and 50 years and will already have had general management experience. His initial discipline is not important but he must have Accountancy Qualifications (ACCA/ACMA/FCIS). A strong personality whose career to date shows a pattern of success covering financial control, production and marketing in similar type of manufacturing companies. Experience in developing West African countries is definitely preferable.

THE REWARDS
(a) A salary of £20,000.00 plus, with opportunity to make substantial savings is offered.
(b) Free furnished house with services is provided and also is the use of a company car.
(c) Air fares for self and family will be provided each year.
(d) An initial contract period of THREE YEARS is envisaged with an option for a further period.

Interviews for this post are to be held in London during the early part of May 1982.

In the first instance please apply to:
Box A7827, Financial Times, 10, Cannon Street, EC4P 4BY

SWITZERLAND

THE BANK FOR INTERNATIONAL SETTLEMENTS

an international institution in Basle, has a vacancy for a YOUNGER EDITOR in its Press Service

mainly to assist in compiling the Service's English-language news report and other documents for internal information purposes.

Candidates must have a perfect command of English (mother tongue) and be very proficient in French and German. Knowledge of other foreign languages (particularly Italian) useful. Thorough grounding in economics with emphasis on central-bank policy and practice and international monetary affairs. Ability to translate challenging texts on economics and related subjects from the above-mentioned foreign languages into English and also to make English summaries of such texts.

Further requirements are an ability to work speedily and under pressure, flexibility and adaptability, team spirit. Candidates must also be prepared to start work early (7.30 a.m.).

The Bank offers a good salary, first-class pension and welfare schemes and other ancillary benefits. Excellent sports facilities available for staff.

Applications giving full details (cv, copies of testimonials and a photograph) should be sent to the Personnel Manager, Bank for International Settlements, 4002 Basle, Switzerland.

JEDDAH Manager OPERATING EXPENSE BUDGET

c. £20,000 p.a. Tax free Single or married status

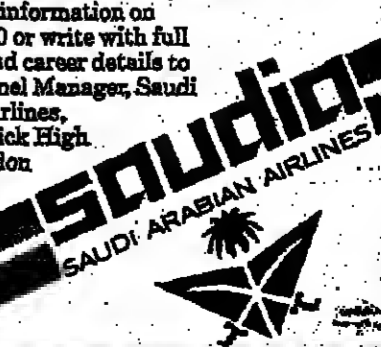
Saudia is one of the world's fastest growing international airlines. In line with our expansion plans for the future, we now wish to strengthen the senior financial management team at our Head Office operation in Jeddah by appointing an experienced Manager for the Operating Expense Budget.

You'll be responsible for developing, overseeing and directing policies and procedures concerning the preparation and administration of the Corporate Manpower and Operating Expense Budget. This will entail monitoring trends in expenses to formulate and establish financial control systems as well as controlling and developing the application of computer services for reviewing and monitoring expenditure.

You must be a professionally qualified Accountant with at least five years' relevant experience - ideally gained with an airline running a computerised operating expense budget. Preference will be given to candidates with management experience at a corporate level.

This post is open to men on a two year renewable contract basis. A range of valuable fringe benefits includes free furnished accommodation, excellent educational facilities for children under 14, extensive recreational amenities, 40 days annual leave, free UK flights each year for you and your family together with normal airline discount travel world-wide. Starting salary which includes transportation and incentive allowances is paid in Saudi Riyals (currently SR 6.3=£1) and may be negotiable for exceptionally well-qualified candidates.

Please telephone Stuart Reynolds for further information on 01-747 1820 or write with full personal and career details to the Personnel Manager, Saudi Arabian Airlines, 508, Chiswick High Road, London W4 6SQ.



JOBS COLUMN

Latest rough indicators of managers' pay

BY MICHAEL DIXON

HERE are the latest rough indicators of managerial pay in Britain, as revealed by the three yearly Reward survey. The information, which relates to pay levels prevailing in the four months November to February, is provided by what Reward terms a "balanced panel" of 100 companies, professional institutes and recruitment registers.

The full survey covered 13,854 senior, middle-rank and junior white-collar workers. But anyone wanting extensive details should contact Bill Coul-drey at 1 Mill Street, Stone, Staffs ST15 8BA. For only the last line in the accompanying table relates to all the people covered. The rest refers only to the most senior managers below the rank of director in 27 different areas of work.

For each different kind of chief, the table gives three pairs of money figures and one pair of percentage figures.

The left-hand pair of money figures relates to the lower-quartile executive who would come quarter of the way up a ranking of all the people of the same rank and area of work. The middle pair refers to the median executive placed half way in the ranking. The last pair of money figures concerns the upper quartile executive, a quarter of the way down from the top of the ranking.

In each of these pairs the first figure gives salary net of any bonus or commission paid in cash, and the second figure represents all rewards received in money.

Table with columns: Most senior manager below rank of director in each function, Lower quartile (Basic salary, Total money rewards), Median (Basic salary, Total money rewards), Upper quartile (Basic salary, Total money rewards), % change on medians over past year (Basic, Total). Rows include Company secretarial, Accounting, Research and development, Personnel, Production, Project engineering, Data systems, Marketing, Civil/structural engineering, Management services, Mechanical engineering, Electronic engineering, Distribution, Administration, Electrical engineering, Purchasing, Cost and works accounting, Public relations/advertising, Metallurgy, Computer operations, Chemistry, Physics, Drawing office, Servicing, Quality assurance, Estimating, All ranks and functions.

table presents at best a very sketchy version of reality. Moreover, Reward advises that certain adjustments need to be made before the figures are used even as a rough guide. If the employer concern has no more than 375 people on its payroll, the sums in the table should be reduced by 5.7 per cent. An 0.4 per cent reduction

per cent. Lower - Scotland by 0.4 per cent, West Midlands 1.1 per cent, South-west 3.2 per cent, North-west 3.4 per cent, East Anglia and Yorkshire, and Humberside 4 per cent, East Midlands 4.8 per cent, Wales 8 per cent and North England 9.7 per cent.

Variations by type of industry were: Higher - construction by 20.7 per cent, chemicals by 9.2, food, drink and tobacco by 7.7 and computers by 0.9. Lower - distributive trades by 1.7 per cent, mechanical engineering by 2.3, electrical engineering by 8, and other manufacturing industries by 5.1.

Bond chief

CONSULTANT Philip Egerton seeks a chief bond dealer cum sales executive for a British merchant bank, which he says is one of the leading fixed-income fund managers. As is always the case in this column when a headhunter may not name the employer, Mr Egerton guarantees confidential treatment to any applicant who requests it.

The recruit will be in charge of a group and be responsible for increasing the number of switches and other transactions generated within the bank, for adding to funds under management and for raising out-of-house sales. Candidates need success in trading, demonstrable ability to recognise good value in the market, appreciation of tech-

niques of valuation, and skill at communicating their views on market trends and other developments. Salary £25,000-£30,000, plus usual City banking perks. Inquiries to Philip Egerton and Associates, 178 Piccadilly, London W1V 9DB; telephone 01-499 2215, telex 28146 Reg G.

Motor trade

NANTWICH-based recruiter David Johnson is offering two assured jobs on behalf of unnamed clients. Inquiries to him at REP Consultants, 14 Barker Street, Nantwich, Cheshire CW5 5SY; tel. 0270 626828.

Financial director

The other job is also in the motor trade. But it is based in the Home Counties and for a chief accountant who will be financial director designate. People familiar with the motor business will have an advantage, but the prime requirements are ability to advise on taxation and investment policies and to contribute to the general management of the company as well as managing the financial and management accounting. Pay indicator £20,000.

INTERNAL AUDITOR

Wiltshire • Age: 26-32 c. £12,000 + car + benefits

Our client is a highly profitable member of a commercial group. They invite applications for this key position which offers the opportunity to make a significant contribution to their continued growth. Your experience and personal qualities should include the following:

- *Qualified Chartered Accountant
*Working knowledge of retrieval packages
*Systems design and implementation
*Ambition and creativity
*Superior communicative ability

Interested applicants to write to Terry Benson, Michael Page Partnership, 24 Bennetts Hill, Birmingham B2 5QP Tel No: 021-643 6255.



Michael Page Partnership Recruitment Consultants London Birmingham Manchester

INTERNATIONAL APPOINTMENTS



DAR AL-MAAL AL-ISLAMI

Major, fast growing, diversified financial group seeks

Top Level Investment Executives

Capable of developing and managing its investment operations. For the right persons this is both an unusual challenge and outstanding opportunity. Thorough knowledge of all aspects of investment essential.

Familiarity with the MOSLEM World essential. Location: Geneva.

For further information write to: Director of Human Resources DAR AL-MAAL AL-ISLAMI 7, rue des Alpes - P.O. Box 696 - 1211 GENEVA 1 - Switzerland Strict confidentiality assured

Banking Personnel

CREDIT OFFICER CAYMAN ISLANDS

Age: c. 30 years c. £20,000 p.a. Tax-Free Our client, the private banking subsidiary of a U.S. Public Company, seeks the services of a mature, personable banker to fill the above position in their Cayman Islands office. The ideal applicant will have a thorough knowledge of banking practices with particular emphasis on securities for advances, and computerised accounting systems. Possession of the AIB is mandatory. The successful candidate will assume immediate responsibility for the bank's multi-million dollar portfolio, and will occupy a senior and responsible role in the banking department. In addition to a competitive, tax-free salary our client offers an attractive benefits package and excellent career path for the right person. For further particulars please contact: MARK STEVENS, GENERAL MANAGER on 01-588 0781 41/42 London Wall, London EC2. Tel: 01-588 0781

SAUDI ARABIA Audit/Seniors/Manager Salary Negotiable

A rapidly-expanding Saudi firm of Certified Public Accountants requires experienced Chartered Accountants holding British nationality and trained with medium/large firms for their offices in Jeddah and Dammam. Attractive tax-free salaries are offered together with accommodation, transportation allowance and one month's annual leave with paid air fare. Airmail detailed C.V. and salary requirements together with recent photograph to: Staff Department, Dr. Mohammad A. Alanri, Certified Public Accountants, P.O. Box 784, Jeddah, Saudi Arabia. Telex: 400399 EKAB SJ.

WELL-ESTABLISHED BELGIUM MONEY BROKER Requires Experienced FOREIGN EXCHANGE/CURRENCY DEPOSIT DEALERS TO WORK IN BRUSSELS Excellent salary and conditions of service. French an advantage. All applicants will be dealt with in strictest confidence. Write Box A.7826, Financial Times, 10 Cannon Street, EC4P 4BY

A NIGERIAN MOTOR COMPANY requires a QUALIFIED ACCOUNTANT ACA, ACCA OR CMA With 3-5 years' experience to control the Accounting and allied functions of the company in Lagos. Salary negotiable with free-car, furnished accommodation, free medical facilities for self and family and paid annual leave. Write Box A.7834, Financial Times, 10 Cannon Street, EC4P 4BY.

HEAD OF FINANCE

c. £18,000 + CAR

Due to continued expansion and business diversification, Ellerman Sunlight, the £35m inclusive air tour operation of the Ellerman Travel & Leisure Group, wishes to recruit a Head of Finance to further strengthen their senior management team.

The successful applicant will be responsible for the development and implementation of new techniques, policies and practices in financial control during this significant period of growth.

- Key results areas for this central post are:
- Contribution to the quality of policy team thinking.
- Development of the quality of both financial and non-financial management information.
- Developing the confidence of staff in their accounting standards and systems.
- Deft management of cash flow, and in particular, international currency dealings.

Applications are invited from qualified accountants with broad overall skills, but with practical experience of computerised systems in particular. He or she will be currently on their way to a substantial board appointment.

A salary of around £18,000 is offered, but this figure is not a preoccupation. The significant benefits package, which includes a car, is both imaginative and comprehensive.

Chris Day, Management Consultant, has been retained by the company to conduct interviews. He will respect your confidences. Please address written applications to him at: Ellerman House, 221 West George Street, GLASGOW G2 2ND.



Managing Director

Lloyds Broking House c. £30,000 p.a. + benefits

This ambitious independent London based Lloyds broker wishes to appoint a Managing Director to direct and control the operation through a period of consolidation and growth. The successful candidate must be fully conversant with the Lloyds market and its technical and accounting practices and will have demonstrated managerial flair at a senior level together with the ability to sustain and produce business. The remuneration package is negotiable and could include equity participation. Please reply in confidence giving concise career and personal details to: Box A.7826, Financial Times, 10 Cannon Street, EC4P 4BY.

LOANS OFFICER

£12,000 This expanding merchant bank currently requires a qualified banker with a minimum of 3 years' relevant experience. This is a first class opportunity to further your career within this highly competitive environment. You should be between 24 and 25 with a sound training and preferably have a knowledge of a foreign language. Further details call Mike Blundell Jones on 439 4381 PORTMAN RECRUITMENT SERVICES

INTERNATIONAL BANK LENDING

U.K. CORPORATE MARKETING £16/20,000 2 actively expanding international banks seek an energetic and resourceful banker with substantial experience of developing profitable business in the U.K. corporate sector. LOANS OFFICER c. £12,000 An opportunity for a young banker c. 30, who has moved through the operational ranks into Credit to build upon his/her experience with a major European bank. CREDIT ANALYSIS £8/10,000 Several current - indeed urgent - requirements occur for young bankers with solid basic credit training and genuine potential for development. Please telephone Ann Costello or John Chiverton A.I.B.

JOHN CHIVERTON ASSOCIATES LTD. 4/5, CASTLE COURT, LONDON, EC2A, 01-823 3801.

CHIEF FX DEALER

Fast expanding Merchant Bank

Our Client is a long established merchant bank with substantial international connections.

In line with current expansion plans, the requirement is for a chief dealer to assume full responsibility for the control and development of the bank's foreign exchange trading activity. Candidates, preferably in their late 20's/early 30's, must possess several years' all round dealing experience with the emphasis on spot and forward exchanges, acquired with an active trading bank; the ability to motivate and lead a dealing team is also regarded as essential.

This is a challenging opportunity to contribute to a growing organisation which will be rewarded with a competitive salary and the usual fringe benefits including a company car.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd 60 Cheapside London EC2 Telephone 01 248 3812 3 4/5

International Banking U.K. and European Auditing

Bankers Trust is a leading American Bank. Its European Auditing Department, London based, as a result of further promotional transfers offers two challenging positions to candidates wishing to develop rewarding careers in international banking.

The Department's qualified bankers, accountants and EDP specialists, have auditing responsibilities covering a broad spectrum of banking, with overseas assignments normally occupying 25% of working time. They participate in a modern concept with Senior Management in the Bank's control.

Candidates, probably in their mid-late twenties, will include bankers with an A.I.B. or related degree, and perhaps linguistic skills, having a suitable background and experience. Auditing/inspection exposure is desirable, but all candidates will be evaluated on their attributes overall and the Department's in-house skills provide suitable training where necessary.

A competitive salary will be offered commensurate with qualifications and experience, plus an excellent package of fringe benefits. Applications which will be treated in complete confidence, should be submitted in writing with a full curriculum vitae to Peter Taber, Vice President, Personnel Division.

Bankers Trust Company Dashwood House, 68 Old Broad Street, London EC2P 2EE. Telephone 01-726 4141.

Corporate Finance

The London merchant bank subsidiary of a major international banking group requires a further Executive to strengthen the resources of its Corporate Finance Department. The department provides a range of advisory services and assists clients with capital market operations and with international acquisitions.

Candidates, male or female, aged 25-30, should ideally be graduates with an accounting or legal qualification and must demonstrate the personal qualities required to deal effectively with clients at senior management level.

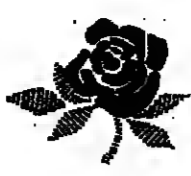
Prospects for further career development are excellent and a salary of up to about £15,000 will be complemented by an attractive package of benefits. Write with full personal, career and salary details to:-

Alan Endicott, Plumblley/Endicott & Associates Limited, Executive Search Consultants, Premier House, 150 Southampton Row, LONDON WC1B 5AL.

INVESTMENT OFFICER TO £11,000

Ideally you will be 28+ with at least 4 or 5 years relevant background in Banking or Stockbroking. A very busy and demanding position, so someone with initiative would be greatly appreciated.

PHONE MICHAEL KATZ WITHOUT DELAY ON 01-429 7838 BARNETT BANKING 1 ALBEMARLE ST., LONDON W.1. (A Division of Barnett Personnel Ltd)



LANCASHIRE ENTERPRISES LIMITED

Lancashire - the heart of British technology

Managing Director c.£20,000 per annum

The Lancashire County Council has recently launched an industrial and training initiative as a positive step towards creating and retaining employment opportunities in the County, and improving training prospects.

The main responsibility for promoting and implementing this initiative will rest with Lancashire Enterprises Limited, a Company limited by guarantee and funded by the County Council. The Company's objectives will include attracting public and private investment to the area, investing in new and existing companies, including co-operatives, providing financial, management and marketing advice, and the development of training workshops.

To help them in these tasks, Lancashire Enterprises Limited require a full-time Managing Director who will need to have a wide and diverse range of skills, particularly in the financial and investment fields, proven ability to attract

and appraise commercial and investment opportunities, a thorough understanding of local government, New Towns and Government departments, together with the personality and commitment to secure the objects of the initiative.

The appointment will initially be for a fixed term of three years and the package of salary and other benefits are negotiable, but the salary will not be less than £20,000 per annum, while the other components of the remuneration package, including assistance with removal expenses, will be commensurate with an appointment of this seniority.

Further details and an application form (returnable by 30th April) are obtainable from the Company Secretary, Lancashire Enterprises Limited, P.O. Box 78, County Hall, Preston PR1 8XJ, telephone Preston (0772) 263422, quoting Reference Number 72/386.

Director Reinsurance

Lloyd's c.£40,000

Major Lloyd's firm of Insurance Brokers seeks an Executive Director to play a key role in the expansion of its worldwide Reinsurance activities, responding to the Chairman and Managing Director. Remuneration package negotiable around £40,000 a year.

Candidates, probably aged 33-45, will have proven records of success as Lloyd's brokers, preferably including significant international reinsurance experience. They will combine marketing strengths with administrative ability and powers of leadership. There are real prospects of promotion.

For job description write in confidence to W. T. Agar, John Courtis & Partners, 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our client's requirements, quoting FT/2158. Both men and women may apply.

John Courtis and Partners

Marketing & Trading Petroleum Product

Aggressive organization engaged in marketing and trading petroleum product continue their worldwide expansion. Strong petroleum marketer/traders possessing superior commercial as well as excellent management skills are required as:

POSITION	LOCATION
MANAGING DIRECTOR	ENGLAND
MANAGING DIRECTOR	HOLLAND
DIRECTOR OF SALES AND OPERATION	USA
PRESIDENT - BUNKER COMPANY	USA
MARKETER TRADERS	ENGLAND, HOLLAND AND USA

These positions are best suited to creative marketer/traders who possess the innate intelligence to recognize petroleum product market opportunity in advance of the establishment, devise innovative but practical solutions to exploit these opportunities, and affect immediate and profitable implementation.

All the expected professional rewards are here as well as a generous compensation package that recognizes proven performance.

Please write or call collect. All inquiries will be held in strictest confidence.

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Kenner, Louisiana 70063
U.S.A.

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(504) 469-9137

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Reuters has overseas openings for professionals with direct and active experience of City markets. We supply a range of specialised banking, broking, commodities and shipping services. With the continued expansion of these services we have immediate vacancies for successful people who feel that their expertise is not fully utilised and are looking for an international career.

The ideal candidates should be 25-35. French and/or Spanish would be useful assets.

Training will take place in London but may include overseas work. An overseas posting would follow. Earnings potential is high. Opportunities for subsequent promotion exist in the UK and abroad.

Telephone 01-353 7329 (24-hour answering service) for an application form, or send your Curriculum Vitae to:

The Recruitment Office,
REUTERS,
85 Fleet Street, London EC4A 4AJ.
These positions are open to men and women.

MANAGEMENT CONSULTANTS

- Employee Share Schemes

- Employee Benefits

Cockman, Copeman & Partners Limited are recognised as leading, professional consultants in employee share schemes and employee benefits. We seek at least two consultants primarily to work on employee share schemes, but possibly also in the fields of total remuneration planning, salary administration, pension schemes, incentive schemes, personal financial planning, career counselling and employee communications.

Whereas experienced consultants are preferred, we are prepared to train candidates with a relevant background. A knowledge of employee benefit schemes and their tax implications is essential.

You must be mature, aged probably between 30 and 45, highly analytical, innovative, numerate and literate and prepared to work on legal documentation. You must be able to develop good working relationships with clients at Board level.

We are also happy to meet consultants, in our field or an allied specialism, who have an established clientele and who may be interested in joining our expanding partnership with its strong financial backing.

Salary and conditions of employment will fully reflect candidates' experience and capabilities and will include the opportunity to participate in the Company's continued success.

This assignment is being handled by our specialist recruitment subsidiary. Please write to Richard Varcoe (quoting FT 240) giving relevant details of your experience and career to date.

Cockman, Copeman & Partners International Limited

9 Staple Inn
High Holborn
London WC1V 7QH.

MERCHANT BANKING AN EXCEPTIONAL INTRODUCTION

c. £12,500 + benefits + mortgage subsidy

The Chief Executive of one of the UK's leading Accepting Houses wishes to meet young qualified Chartered Accountants seeking a career in banking. He offers exposure to four of the major divisions of the bank covering a period of approximately two years. This two-year period will lead to diverse banking experience and guaranteed career progression within one of the divisions.

This is an excellent opportunity for a young Chartered Accountant to enter the world of Merchant Banking without limiting the initial experience to any one particular activity.

Candidates interested in further information should contact Roger Tipple, Manager - Banking and Finance, Michael Page Partnership, 31 Southampton Row, London WC1B 5HY, or telephone 01-242-0965.



Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester

Editor London

Our clients, a major publishing group, are planning a well researched new venture - the launch of a Newsletter highlighting the financial implications and investment potential of scientific and technological developments. They now seek an Editor with an unusual combination of skills and experience, including first-hand knowledge of the City, gained perhaps in financial journalism, and the capacity to understand, interpret and comment lucidly on events and news in the world of science and technology.

The way in which these attributes have been acquired is not critical, but the essential requirement is the ability to match editorial shape and content to market needs; a flair for working effectively with a talented and lively team, often under pressure, is also important and early-mid 30's is likely to be the most appropriate age.

Salary is negotiable and will be attractive to candidates currently earning between £12K and £16K; benefits will include membership of the group pension scheme. Please apply in strict confidence, quoting Ref. 240/6/FT, to the address below.

Charles Barker
MANAGEMENT SELECTION INTERNATIONAL LTD.

30 Farringdon Street, London EC4A 4EA. Telephone 01-236 0588.
MANAGEMENT SELECTION - EXECUTIVE SEARCH

Syndicated Lending Up to £18,000 + Benefits

The Securities arm of a leading international bank is looking for an individual for its expanding and successful syndicated loans department to market, negotiate and administer a portfolio of large Eurocurrency loans.

Candidates should be graduates, in their late twenties or early thirties with a good background to credit appraisal and syndicated loans, preferably gained with a major U.S. bank. They must be able to show the imagination, initiative and drive necessary to succeed in a competitive and flourishing institution.

Please contact Edward Dawny

Philippa Rose & Partners Limited

18 Eldon Street Telephone:
London EC2M 7LA 01-588 6196



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We can help you by offering the most comprehensive Career Counselling service in Europe. Our unique guarantee assures clients of rewarding careers, of which some 70% are obtained from the unpublished job market. Telephone for a free confidential appointment for an assessment by a consultant, or send us your CV.

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Manchester: 061-228 0089
Surrey Building, Princes Way, Epsom.
We are also specialists in "Outplacement" for organizations, through our affiliated company Lander Corporate Services Limited. Address as above.

Group Taxation Manager Age 30s

Salary up to £20,000 + car

The Company is a major British Manufacturer and Exporter.

The Group Taxation Manager will be responsible to the Finance Director for providing a tax management service to the Group which will embrace overseas subsidiaries and major associated companies.

Candidates must be professionally qualified and be expert in UK tax law, practice, planning and negotiation. Overseas tax exposure is equally important, including knowledge of the sources on which to draw information. Location London. Assistance will be given with relocation expenses.

Applications in confidence to: David Sheppard

DAVID SHEPPARD & PARTNERS LTD.
21 Cleveland Place,
London SW1Y 6RL. Tel: 01-830 8788

All positions advertised by David Sheppard & Partners Ltd.
Executive Search Consultants. are open to both men and women.

FINANCIAL FUTURES

NO. 1 DEBK BROKER. Reputable Commodity and Investment Firm, with 3 LIFE Saver, seeks FX Dealer or Currency Broker with knowledge of Financial Instruments. C. £20,000 basic + substantial profit-share scheme.

SILTS EXECUTIVE. Major Commodity/Stocks Firm with 2 LIFE Saver requires an Executive with 5 yrs Jobbing experience to operate in liaison/business production capacity from the Exchange. C. £20,000 basic + profit-related bonuses.

NO. 2 DEBK BROKER. Financial Futures department of major Commodity Company requires Broker with experience of Short-Term Fixed Interest Market. C. £15,000 + bonus.

ADMINISTRATOR. American Exchange seeks Administrator for Clearing department. Experience of handling Bank paperwork for FX/CO Dealing operations. C. £10,000 basic.

For further details of these positions, please telephone Robert Kimbell, in absolute confidence, on the number below:

CHARTERHOUSE APPOINTMENTS 01-481 3188

Europe House, World Trade Centre, London E1

Executive Appointments

The specialist service for senior executives seeking new appointments. Our success-related fee structure is unique. Contact us for a confidential meeting.

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73 Grosvenor Street, LONDON W1 - 01-493 6594

FOREIGN EXCHANGE

CHIEF DEALER c.£30,000
Large banking institution with impressive balance sheet offers an excellent opportunity for an experienced Chief Dealer. Ideally you will already hold Chief Dealer or good No. 2 status. Preferred age will be early/mid 30's and an impressive career to date will be sought.

CHIEF DEALER c.£25,000
International bank with expanding London operation seeks a Chief Dealer with excellent all round experience in the fx and money markets. Age range is likely to be early/mid 30's and candidates will need to show a progressive track record.

CHIEF DEALER £20,000
Well established consortium bank with an active dealing room seeks to recruit a Chief Dealer. There will be an emphasis on deposits, but a good general background in all aspects of fx and money markets is required. APPLICATIONS WILL BE TREATED IN THE STRICTEST CONFIDENCE



LEE HOUSE, LONDON WALL, EC2. 01-606 6771

ROBERT HALF

SEARCH & RECRUITMENT

Banking Personnel

The premier name in Banking Appointments.

CHIEF DEALER - HONGKONG

Age: 28-40 to £25,000 + Package
Our client, a highly reputable international Bank seeks a mature, capable person with a comprehensive dealing background spanning at least 10 years at senior level to run their Hong Kong dealing operation. Usual separate package inc. free accommodation, car etc. For further details, in strictest confidence, please contact MARK STEVENS.

CREDIT ANALYST

26-32 to £12,000
If, as a Senior Analyst of at least 2 years standing, you recognise that credit analysis is a perfectly fulfilling and important role in its own right, our client would be interested in considering you for their recently opened London branch. Marketing is not on the cards for the first 2 years but you'll sit in on meetings with clients and be an important senior member of staff. To discuss this position further please ring MARK STEVENS.

GRADUATE BANKERS

23-26 & EXCELLENT
If you possess a degree or alternatively the AIB and a few years general banking experience, you would be of undoubted interest to our client, the merchant banking arm of an American bank who are seeking well-motivated young bankers to train in most aspects of international banking such as Eurobonds, General banking and Loans Administration. For further details please contact TREVOR WILLIAMS.

41/42 London Wall, London EC2. Tel: 01-588 0761

SECOND CAREERS LTD

Helps you decide and get started on your own in a small business enterprise. Following an in-depth appraisal, practical help is given, backed by wide and successful experience from a reputable company with extensive contacts in almost any business field.

Please write for further details to Second Careers Limited, 110 Jermyn Street, London SW1Y 6HB, or telephone 01-839 6905.

BANKING OPPORTUNITIES

MARKETING OFFICER c.£17,000
A major international bank requires a marketing officer aged early 30s with experience in marketing bank services to clients in the insurance industry. Candidates should preferably be U.S. bank trained and possess appropriate professional and academic qualifications.

SYNDICATIONS OFFICER c.£15,000
A syndications specialist, aged late 20s and with two years' relevant experience, is required by an international bank. Candidates are expected to be well educated, good communicators and able to work under pressure. The job involves the research and preparation of financial packages, administration of loans, interface with market with respect to loan management positions and placing assets.

CREDIT OFFICER £10/£12,000
Graduate, 25-30, with two years' credit analysis experience and Eurocurrency exposure, required by international bank. Good managerial prospects.

INVESTMENT ADMINISTRATION MANAGER c.£10,000
Manager, aged early 30s, required to run settlements dept. with experience gained in banking or stockmarkets required. Knowledge of book-keeping essential and French language desirable. This is an expanding department with prospects for a well-orientated candidate.

U.K. LENDING OFFICER c.£12,000
Prestigious merchant bank seeks lending officer aged late 20s with experience of U.K. lending, preferably with degree and AIB.

LJC Banking Appointments Ltd.
170 BISHOPSGATE, LONDON EC2M 4LX
01-283 9953

BBC 1

9.50 am The Wombles. 9.55 Jackanory. 10.10 Lassie. 10.30 Why Don't You... 7.11.00 Close-down. 12.30 pm News After Noon.

TELEVISION

Chris Dunkley: Tonight's Choice

None of the subsequent series have been quite as good as the very first run of BBC-2's Great Egg Race in which contestants had to transport an egg as far and as fast as possible using (as I recall it) only a rubber band for propulsion.

BBC 2

5.10 pm The Einstein Tower - The German Expressionists. 5.40 Hawk of the Wilderness. 6.00 The Great Egg Race.

LONDON

9.30 am Poetry of Landscape. 9.45 Dick Tracy Cartoon. 9.55 Starbird and Sweet William. 11.25 Paint Along with Nancy.

BUSINESS LAW

The aftermath of trade embargoes

BY A. H. HERMANN, LEGAL CORRESPONDENT

EVEN if no shot is fired in the Argentinean imbroglio, enough is being done - with asset freezing, trade embargoes and such like - to keep lawyers lucratively employed for a long time after the Argentinean dictator comes to his senses.

RACING

Triple Tippie, a bay filly by a leading U.S. sprinter of a few years back in Raise a Cup, has yet to win. She is not without ability, however, as she showed when finishing second behind Johara in Ascot's Virginia Water Stakes after failing to get any sort of a run at a crucial stage approaching the distance.

NEWMARKET

2.00-Shanley Style** 3.00-Wicked Way 3.30-Triple Tippie** 4.05-Trebore

All IBA regions as London, except at the following times:

ANGLIA

9.30 am Saemba Street. 10.30 Spread Your Wings. 10.55 Sunray. 11.25 The Flying Kite. 11.50 Watney Watney.

BORDER

9.30 am The Greatest Thinkers: Clausewitz. 9.45 Friends of My Friends. 10.20 The Flying Kite. 10.45 Widemere Alive.

CENTRAL

9.20 am 3-2-1 Contact. 10.00 Gardening Time. 10.25 Falcon Island. 10.50 The Cow on the Moon. 11.00 India.

RADIO 1

(S) Stereophonic broadcast. 5.00 am As Radio 2. 7.00 Mile Road. 8.00 Simon Bates. 11.30 Dave Lee Travis.

RADIO 2

8.00 am Nick Page (S). 7.30 Ray Moore (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S).

News. 6.00 Crossroads. 6.25 Central News. 7.00 Horca. 7.30 Spooner's Patch.

CHANNEL

1.20 pm Channel News. 5.20 Crossroads. 5.50 Channel Report. 5.15 The Incredible Hulk. 10.30 Channel News.

GRAMPIAN

5.15 am First Thing. 6.20 Project UFO. 10.10 History of the Motor Car. 10.35 The Adventures of Niko.

GRANADA

9.30 am Geography Today. 9.50 Springy. 10.10 Alphabet-The Story of Writing. 10.35 Beller's Bird. 11.00 Sesame Street.

RADIO

to the Band (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

8.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 This Week. 9.00 News. 9.05 This Week's Composer (S).

9.40 am Kum Kum. 10.00 Roadrunner. 10.10 Wild World of Animals. 10.30 The Flying Kite.

HTV

9.40 am Kum Kum. 10.00 Roadrunner. 10.10 Wild World of Animals. 10.30 The Flying Kite.

TSW

9.30 am Larry the Lamb in Toytown. 9.40 Sesame Street. 10.40 Alphabet: The Story of Writing. 11.05 The Undersea Adventures of Captain Nemo.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Radio. 5.30 Good Evening Ulster. 6.25 Police Six. 9.00 Janet and Company. 10.29 Ulster weather. 10.30 H.I. Street Blues. 12.00 News at Bedtime.

YORKSHIRE

9.30 am Larry the Lamb. 6.40 Sesame Street. 10.40 Alphabet: The Story of Writing. 11.05 Young Ramsay. 11.55 The Undersea Adventures of Captain Nemo.

TVS

9.35 am Untamed World. 10.00 Animated Classic. 10.55 Tarzan. 11.45 European Folk Tale. 1.20 pm TVS News. 2.00 Not For Women Only. 3.45

Square One 5.15 Radio. 5.30 Coast to Coast. 10.00 TVS News. 10.30 The Mouth of the Dragon. 11.30 Strumpet City. 12.25 am Company

TYNE TEES

8.20 am The Good Word. 9.25 North East News. 9.30 The World's War Live in. 9.55 The History Makers. 10.30 Morning Movie: Rockin' Galore.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Radio. 5.30 Good Evening Ulster. 6.25 Police Six. 9.00 Janet and Company. 10.29 Ulster weather. 10.30 H.I. Street Blues. 12.00 News at Bedtime.

YORKSHIRE

9.30 am Larry the Lamb. 6.40 Sesame Street. 10.40 Alphabet: The Story of Writing. 11.05 Young Ramsay. 11.55 The Undersea Adventures of Captain Nemo.

APPOINTMENTS WANTED

KENYA General Manager of well-known agro-industrial company in Kenya with long experience in industrial and commercial management in several countries, seeks position of general manager or director in large warehouse complex under construction in Kenya. Must be able to manage staff of 500. Salary negotiable. Reply to P. Lundy, P.O. Box 18048, Nairobi-tel. 22013 mikano ken.

PERSONAL

FACT ALL CHILDREN WHO DEVELOP THIS DISEASE depend for their lives on daily insulin injections. They have -

DIABETES

Join us - Help us Support us BRITISH DIABETIC ASSOCIATION 10 Queen Anne Street, London W1M 0BD

ROYAL ACADEMY OF MUSIC

Administrators Applications are invited for the post of Administrator of the Royal Academy of Music. The successful applicant would be required to join the staff in the Autumn 1982 and to take over the post of Administrator on the 1st February, 1983, on the retirement of the present incumbent.

MARKETING ASSISTANT

A most interesting opportunity has arisen in the Marketing Department of a fast expanding Unit Trust and Investment Group in the City. Fidelity International, part of the large international Fidelity Group, requires a Marketing Assistant to take responsibility for co-ordinating and developing its Direct Mail activities and all Promotional Literature.

PRIVATE COMPANIES' GROUP ACCOUNTANT

Aged about 35, required to help run group of private companies in Romford, with view to becoming Company Secretary. The applicant need not be qualified but should have good knowledge of all accountancy practice, company law, taxation and office management. Assistance with housing can be given if required. Opportunity to join pension scheme after initial period. Salary commensurate with experience.

FINANCIAL TIMES

Head Office: The Financial Times Limited, Bowdoin House, 20 Cannon Street, London EC4A 3DF. Tel: 01-567 5071. Telex: (Advertising) 090223, (Telegrams) Financial, London, Telex: 01-240 8000. Founder Office: The Financial Times (Europe) Ltd, 15, Old Bailey, London EC4A 3DF. Tel: 01-567 5071. West Germany: Telex: 416153. Telephone: 7996-4. Editorial: Frankfurt 71-91. Telex: 416152. Telephone: 7996 157.

PUBLIC NOTICES

DEBBY CITY COUNCIL BILLS £1,500.00. 14th July 1982. Issued 14th April 1982 at a rate of 13%. Application for a copy of these bills is available from the only bills outstanding.

PERSONAL

FACT ALL CHILDREN WHO DEVELOP THIS DISEASE depend for their lives on daily insulin injections. They have -

DIABETES

Join us - Help us Support us BRITISH DIABETIC ASSOCIATION 10 Queen Anne Street, London W1M 0BD

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COMPANY NOTICES

Jardine Matheson & Co., Limited

CLOSURE OF REGISTER OF MEMBERS

Notice is hereby given that the transfer books and Register of Members of the Company will be closed from 17th May to 29th May 1982, both days inclusive, for the purpose of the final dividend and the free scrip issue recommended in respect of the year ended 31st December 1981.

The final scrip dividend with a cash alternative of HK\$0.69 per share will be paid on 2nd July 1982 to shareholders on the register of members on 29th May 1982.

In order to qualify for the dividend and the free scrip issue, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Central Registration Hong Kong Limited, Hopewell Centre, 17th Floor, Mezzanine, 183 Queen's Road East, Hong Kong, not later than 4.00 p.m. on 14th May 1982.

JARDINE MATHESON & CO., LIMITED

By Order of the Board K. W. Young, Company Secretary Hong Kong, 13th April, 1982.

THE PHILIPPINE INVESTMENT COMPANY

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS. The Annual General Meeting of Shareholders of THE PHILIPPINE INVESTMENT COMPANY, INC. will be held at its registered office, 147 rue de Valenciennes, on April 23rd, 1982, at 11.00 o'clock a.m. for the purpose of electing directors and voting on the following matters:

STRATHCLYDE REGIONAL COUNCIL

VARIABLE RATE REDEEMABLE STOCK 1982 For the six months from 14th April, 1982, to 14th October, 1982, the interest rate on the above stock will be 14.7500% per annum.

BANK OF SCOTLAND

55 Old Broad Street London EC2P 2HL

INTERNATIONAL DEPOSITORY RECEIPTS REPRESENTING SHARES PAR VALUE

J. P. MORGAN & CO. INCORPORATED A cash distribution of \$0.85 per Depository Share will be payable on and after the 29th April, 1982 upon presentation of Coupon No. 46 at: Morgan Guaranty Trust Company of New York

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of THE PHILIPPINE INVESTMENT COMPANY, INC. will be held at its registered office, 147 rue de Valenciennes, on April 23rd, 1982, at 11.00 o'clock a.m. for the purpose of electing directors and voting on the following matters:

CONSOLIDATED SALES FOR 1981/82

The consolidated sales for the financial year 1981/82 (March 1st, 1981, to February 28th, 1982) have reached 2,987,978,000 French francs against 2,363,001,000 French francs for 1980/81 (+26.4%).

CLUBS

Evig has ousted the others because of a policy of fair play and value for money. Super, the 2000, and the Deco are the most popular, glamorous, exclusive floorshows. 169, Regent St. G3 0257.

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

PRODUCT DESIGN

BY CHRISTOPHER LORENZ

The precarious balance between research, fashion and price

IF YOU'RE launching a really innovative product, the worst thing you can do is to follow the classic marketing strategy of starting off at the highest possible price. Pitch it lower, gear up for world market volume, and you'll not only get a higher return, but also keep out all those fearsome far east entrepreneurs who are just waiting to jump in with imitations at two-thirds or even half the price.

Nor should you forget the fashion element in product design, whether you're making textiles or televisions. And, even if your product is revolutionary, you should take more care in finding out whether people will actually want it, while suppliers of low-cost things, like shampoo and food-stuffs, take lots of trouble to research the market, the makers of expensive items such as earth-moving machines, office equipment and even hair-dryers, often don't bother. They rely simply on the products' technical characteristics, backed up by hard selling. All too often, they end up in trouble. Deep trouble.

These controversial nuggets of advice, and many others, are gleaned from a group of designers, innovators and marketing men who have learned the hard way—by trial and error.

It is Clive Sinclair, who is selling more personal computers than anyone in the world, who blows the whistle on traditional pricing policy. He claims that the £89.95 price of his ZX 81 computer (just under \$150 in the US) was pitched extremely carefully after applying the Boston Consulting Group's famous experience curve.

Sinclair says the curve brings home the fact that a product will be more profitable selling at, say, twice the manufacturing cost than at three times—provided, of course, you can sell sufficient volume. The principle may be obvious, but the precise level of the ideal volume-price trade-off is not.

Sinclair admits that he learned the importance of volume the hard way—by being driven out of the pocket calculator business, which he had pioneered, by the Japanese.

His deviation from the classic policy of premium pricing for innovative products has not been as complete as he might suggest, since he sold the com-

puter from which the more sophisticated and better-designed ZX 81 was developed at £100. Nevertheless, the point still remains that he had such a technical lead with the ZX 81 that he could have priced it higher, but decided not to, with the result that he has not had to undergo the experience he suffered with calculators and other products, of having to discount sharply and painfully as the competition moved in.

As an unusual combination of brilliant engineer and consummate salesman, Sinclair has always been highly conscious of the fashion element in his products. This is a factor which many marketing men forget, according to the outspoken Edward Pond, a textile designer who now runs his own consultancy, owns the Paperchase stationery chain and is president of the Society of Industrial Artists and Designers.

Aesthetics

But Sinclair does not concede Pond's assertion that "fashion overrides both the function and the aesthetics of a product," and that "the reason the pocket calculator succeeded was because of fashion—not because the market wanted one." Yet Pond produces a mass of examples, many of them from his time with Crown, Sanderson and other parts of Reed International, to demonstrate that fashion has been a key element in the success of many walk-papers—and in the remarkable way in which Coloroll, largely run by ex-Reed men, has trounced their former employer in the marketplace.

Sinclair and Pond got together a few days ago at a seminar organised jointly by the Institute of Marketing and the Design and Industries Association. Paradoxically, it revealed

a singular lack of collaboration between designers and marketing men in many companies.

Another speaker, James Pilditch, chairman of Allied International Designers, recalled his conversation with another eminent designer at Mrs Thatcher's reception-seminar on design in January. "Marketing is the key," said Pilditch (meaning marketing proper, not just sales). To which came the reply: "Yes, we do sometimes have to descend to that."

"But marketing is the central discipline of business," protested the anguished Pilditch. "Discipline?" hooted his eminent colleague. "Marketing is the art of tricking and exploiting people."

If barriers like that exist between marketing men and designers, what hope is there for overcoming all the other barriers that inhibit market-led design and innovation in industry, particularly those between production on the one hand and marketing and design (supposedly) on the other?

The one puzzle which Sinclair, Pond, Pilditch and the other speakers failed to solve—or even to illuminate—was the age-old one of how to research potential market demand for new products.

Richard Homan, deputy industrial director of the National Economic Development Office, cited the effectiveness of Japanese research into potential consumer demand for a new generation of television sets, which showed that people placed a far greater premium on reliability than western manufacturers realised.

But in this case they were dealing with the improvement of an existing product, not with an entirely new one which did not yet exist in any form.

In Clive Sinclair's case, he simply had a hunch that the

time had come when the general public was sufficiently interested in electronic wizardry to provide a completely new market for cheap, relatively simple computers. He says he did no market research whatever, before ordering 100,000 sets of parts so he could launch at high volume.

In one sense, this puts him in James Pilditch's category of blindly confident, technology-driven engineers who only find out what their customers want when they try to sell their new products. As Pilditch asks: "Supposing people don't want your Concorda, your Allegro, your calculator, your cooker or kettle?"

On the other hand, Sinclair and his market-minded team of engineers are doing intuitively what good market researchers now try to do with all the tools of their trade: rather than inquire into the potential for an innovative product, they examine the combined potential of technological developments and changing consumer characteristics and preferences.

To take the exemplary case of Sony's Akio Morita—who can afford to combine brilliant intuition with elaborate and expensive market research—you do not go out and ask consumers whether they would buy a lightweight tape recorder which cannot record. If you did, they'd think you were mad.

What you do is to analyse the changing size and preferences of the youth market, spot the growing fashion among all ages for "wellness," jogging and the rest, check on the cost of further miniaturisation—and then design the remarkable "Walkman."

"Some of the speakers' papers are available via the Design and Industries Association, c/o Nell Chamberlain, 17, Lawn Crescent, Kew Gardens, Surrey TW9 3NZ.



Advertising: how it has become a local government weapon

ROY SHAW is something of a "poacher turned gamekeeper." A former advertising executive with the Leo Burnett agency, he is now Labour leader of Camden Borough Council and vice-chairman of the Association of Metropolitan Authorities, which represents large urban local authorities. He is also one of the 31 Camden councillors who are involved in a court case over alleged excessive over-spending by the council in its settlement of the dustmen's strike three winters ago.

For the past several months, Shaw has been one of the leading activists behind a major new British trend: the use of advertising as a lobbying tool by local authorities in their bid to put pressure on central Government to change its policies and legislative plans.

Last Autumn the Labour-dominated AMA started the ball rolling with a series of national newspaper advertisements to publicise what it saw as a threat from Michael Heseltine, the Environment Secretary, to give the Government at Westminster an even greater say in local government affairs in order to restrain public spending.

This was soon followed by a separate campaign by 12 Labour-controlled London boroughs—including Camden—to draw attention to what they considered to be the plight into which London had been thrown by central Government action.

The Conservative-controlled Westminster City Council responded with WARS—Westminster Against Reckless Spending—a newspaper campaign specifically aimed at the GLC's cheap fares policy, while the GLC itself hit back at the House of Lords' judgment on its cheap fares with an advertising campaign aimed at MPs and other decision makers.

Newspaper advertising by the AMA, London boroughs, and Westminster has for the moment come to a halt—partly because of possible legal complications in the run up to the local elections on May 6. But

the GLC is currently re-launching its "Keep Fares Fair" campaign in advance of the second reading in the Commons later this month of Douglas Jay's Bill which might enable the GLC to reintroduce a cheap fares policy.

Roy Shaw is unrepentant about the avalanche of political advertising which he helped to start. "It is perfectly legitimate for local authorities to put their point of view in this way," he says. "For far too long, local government has been unable to get its messages across to the general public as opposed just to trying to reach decision-makers. Now we are doing something about it and I can see that it is something that will continue to happen."

The AMA's decision to appeal to the public through advertising emerged gradually last summer when it became clear that the Government planned a new local government finance bill—to be formally announced in the Queen's speech—to give it more control over public sector spending.

Peter Smith, the AMA's head of public relations, says that "the advantages of switching to an advertising campaign was that we could guarantee our case did not go unheard." He adds that while news coverage is often selective, "advertising can be very emotive and allows for the message to be repeated continually."

The AMA's dramatic move into newspaper advertising to put forward its views—it is the first time that such a move has been seriously considered—shows just how worried local authorities have become at Heseltine's policy of putting a brake on local government spending by extending Whitehall control. Previously advertising had been ruled out as being too aggressive a tactic to use against the unwelcome attentions of central government.

With some £400,000 to spend from its Labour member authorities—the Conservatives declined to support the advertising tactics with cash—the AMA appointed Boase Massimil Polit

to handle the advertising. The agency was briefed on the AMA's concern about the encroachment of Whitehall in general and asked to devise a campaign strategy against the proposed new local government finance legislation. It was also told not to make the campaign party political, since it was felt that the issues concerned local government resistance to interference by central government, rather than Labour opposition to a Tory Government.

Boase's market research, based on group discussions in major provincial cities, found that while the expected attitudes towards local authorities emerged (inefficient, bureaucratic, wasteful, etc.), another message also came across: while people disliked local government for its falling, they disliked central government even more.

Autonomy

Thus the advertising campaign was aimed at warning the public that what might seem a reasonable attempt by the Government to curb excessive council spending through a new rating policy, was actually a significant step in reducing the autonomy of local authorities.

The Government's legislative proposals were spelt out in September by Michael Heseltine and included the plan that local authorities would have to hold a referendum when seeking large rate rises. The AMA's advertising campaign meant that it was able to start the newspaper advertising almost immediately.

The Government's proposed legislation soon ran into trouble from its own back-benchers—some of whom quoted the AMA's advertising campaign during the parliamentary debates—and in a matter of weeks the Government withdrew the Bill. Unfortunately for the London Labour boroughs which had in the meantime decided to start

their own separate advertising campaign, news of the Bill's withdrawal came too late to stop the first series of newspaper advertisements, which were aimed specifically against the referendum proposals in the Bill.

However, the Government's decision soon after to press ahead with modified legislation to curb local government expenditure meant that the boroughs' campaign as a whole was still valid and they continued with other newspaper advertisements. The theme was that "London would be a better place if the Government at Westminster did not interfere so much."

The AMA also came back with a new series of newspaper advertisements—until its funds ran out—with the aim of trying to get a time limit imposed on the life of the new legislation. The Bill is at present still going through Parliament.

Westminster's Wars campaign, handled by Grandfield Rork Collins, was more low key than the other three campaigns. Its budget was probably the smallest and its aims—cutting the supplementary rate demand—was achieved most quickly.

The GLC, which initially spent £200,000 through its agency NCR, is currently spending a further £50,000 on its latest attempt to sway Parliament. Although local authority leaders are still sceptical about the value of advertising, it seems unlikely that councils will now abandon this new-found means of influencing their destiny.

"I would like to see all local authorities getting together to pool their resources in future. Instead of splitting on party grounds," says Roy Shaw. "We should unite in warning the public that Westminster is gradually—but irresistibly—eroding the right of locally-elected councils to determine their own affairs."

David Churchill



Edward Pond and Clive Sinclair: Bridging the gulf between marketing men and designers

If you're missing Link you're missing one sixth of ITV homes.



Link is the selling arm for both Yorkshire and Tyne Tees Television. Clearly these are not markets to be missed, whatever you're selling. Yorkshire alone accounts for 9.9% of all ITV homes, while Tyne Tees makes up a further 5.9%. Advertisers buying airtime in both regions will reach the biggest market outside London. A market that accounts for fully one sixth of the total UK population.

And one sixth of consumer spending: a massive £500 million a week. So if you're looking for volume sales, make sure that Yorkshire and Tyne Tees get their full share of your television advertising budget. To do just that, call our highly experienced sales team here at **LINK** TELEVISION LIMITED. TELEVISION HOUSE, 52 BEDFORD ROAD, LONDON WC1R 4EJ. TEL: 01-262 1555 152 225 25256.

CONSULTANTS FOR IRON ORE PROJECT

Pakistan Industrial Development Corporation intends to put up an Iron Ore Project which will mine and pelletise iron ore. Output would be 800,000 tons of pellets/year which would be transported over 500 miles.

PIDC has so far proved about 25 trillion tons of good grade magnetite ore near Nokundi in the western part of Pakistan. Over 70,000 feet of diamond core drilling has been completed and a geological report is under preparation. It is expected that the quantum of reserves will increase on completion of the report.

PIDC intends to appoint consultants for preparing an engineering design and feasibility study for this project. Interested firms of international repute may provide the following information specifically for projects related to iron ore mining, pelletisation and transportation:

1. Brief data on each project/assignment undertaken, its location, client.
2. Terms of reference/scope of work for each project.
3. The possibility of providing financial assistance for the project.

It should be clearly understood that nothing in this notice is to be construed as placing any obligation whatsoever on the Corporation vis-à-vis any person/body who may send the information specified herein.

The last date of receipt of this information is 25 days from the date of appearance of the advertisement. All correspondence should be addressed to the Deputy General Manager, Iron Steel and Refractories Division, PIDC, 6th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi-4 - Pakistan, Tel: 2884 PIDC PK.

MASS - Karachi, Pakistan

PUT A PLUS INTO YOUR NEXT INCENTIVE SCHEME

Better incentive schemes mean better profits. If you want a better incentive scheme that is cost effective, contact Rewards Plus, a division of Empire Stores. We make full use of the parent company's £150 million a year buying muscle and advanced computer controlled handling systems. We've also got a team of experienced marketing people who can provide every aspect of the most ambitious incentive programme.

For more details contact: Rewards Plus, 21 Cantelupe Road, East Grinstead, West Sussex RH19 3EB or telephone (0342) 25221.



5th Industry Media Course

THE INDUSTRY MEDIA COURSE is one of the most significant of the many courses developed by CAM during the recent years. It is designed to help those involved with industrial products and services to understand fully the role of manufacturer, agency and media in the process of creating effective advertising. It is particularly concerned with showing how new techniques are being used to sell business products and services.

- Join Joasting, Chairman
- The benefits:**
- Selling to business markets
 - Which media for your message
 - Choosing an agency
 - Corporate identity
 - What to expect from your ads.
 - How to fix budgets
 - Advertising—some good, and bad

- Presentations by top marketing personnel from:**
- SHELL UK LTD.
 - SAATCHI & SAATCHI
 - MERCEDES BENZ
 - ELECTRICITY COUNCIL
 - LONDON WEEKEND TV
 - OGILVY MATHER
 - FINANCIAL TIMES
 - IPC INDUSTRIAL PRESS
 - CAPITAL RADIO
 - and many others

The date: May 16-19
The place: Cavendish Hotel Eastbourne

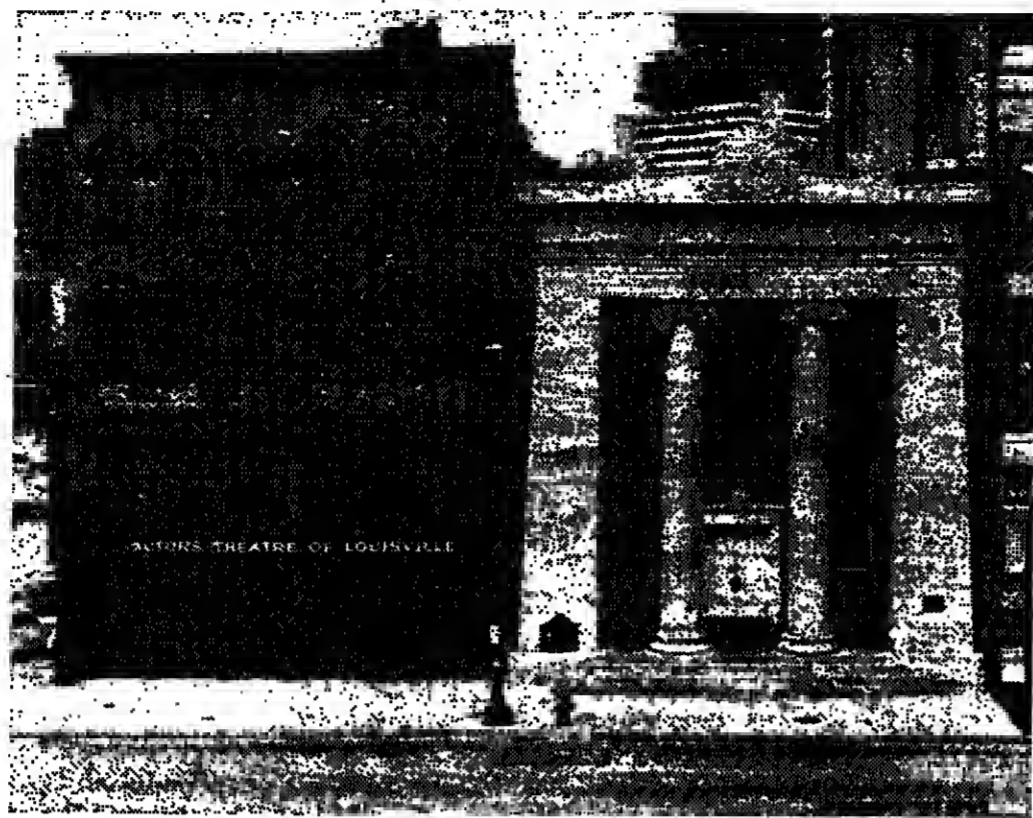
To: CAM Foundation, Communication Advertising and Marketing Education Foundation, Abford House, 15 Wotton Road, London SW1V 1N1 - Telephone: 01-828 7506

Send me..... application forms
Please clip this to your letterhead

THE ARTS

Louisville, Kentucky

From minor to major by B. A. YOUNG



The Actors Theatre in Louisville. The columned building is designated a National Historic Landmark. One of the finest examples in America of small scale Greek revival architecture, it was built as a bank in 1837

Louisville's annual festival of new American plays proudly claims to show 10 plays in three days, involving the truly devoted in 24 solid hours of theatregoing. The Humana Festival, it is called, from the gracious, unpretentious and commercial medicine (they run the Wellington Hospital in London). Humana contributes about one-third of the budget, which this year is something over three-quarters of a million dollars.

This year's programme gave 27 new plays; the preference for the producing director, Jon Jory, showed last year for multiple bills of short plays has exploded this year until what is billed as one production may contain a dozen little sketches. This is an extra benefit to the visitor, for it allows him to see plenty of the company's actors on display. The standard in the Actors Theatre of Louisville is as high as that of any provincial rep company I have ever seen. As I reported last year, the company is particularly rich in young players, many of them trained there; three actors who were "apprentice actors" two years ago are currently to be seen in New York.

straggle hair, we know that she is pregnant by nice young Tyler (Bruce Kuhn, not so interesting as he was as an artist's model). Tyler is on an embarkation leave prior to service in Korea. Nothing is really said but details: Jean is 24 and married to a missing husband. Tyler goes off to Korea. The return of Jean's husband, reported in a letter, openly returns us to Act 1, Scene 1. This play won the Great American Play contest. Rabe, Babe, Marnet, what are you doing out there?

how the City of Louisville regards it you need only consult the list of last year's sponsors: three of over \$100,000, four between \$50,000 and \$100,000, six of between \$20,000 and \$50,000; and below that over 200 citizens and businesses have contributed over \$500 each. I get the impression that the Actors Theatre is very much a community project in a city where the arts are strongly represented. It has a fine symphony orchestra (Radio 5 later broadcast a series of their concerts); it has its own ballet company; there was opera to be seen in friendly competition with the Festival. No one concerned with the promotion of the arts should miss the chance of seeing at Louisville the panache with which it can be done.

Festival Hall

Michelangeli by DOMINIC GILL

After a long and frustrating absence, nine years, no less, of promised appearances and cancellations which have served only to reinforce the growing belief that we should never hear him in London again, Michelangeli has returned, and in grand style, to play two concertos and a solo recital in the space of six days.

He opened his programme with two early Beethoven sonatas, the first, op.26 in A flat, delivered with seemingly unshakable aristocratic reserve. The first movement's sequence of variations filtered through ages of bedrock, pure, distilled, almost tasteless, its fourth variation an unearthly etude, conceived in some abstract firmament, of staccato-legato contrast. The funeral march slow movement was so extraordinary in its proportions: vivid shapes of black and white as relentlessly colourless as the piano key. In the last six measures alone did a tiny echo of fragrance, the faintest murmur of personal attachment, seem to air.

Drury Lane

NOT in front of the audience

THIS IS NOT a revue and this is NOT a review. It is a full-frontal assault on your notions of good taste. And I am delighted to be able to say that while NOT reporting from the ICA, Any show that manages to line up in its sights Mary Whitehouse, improvised drama, Erica, Freddie Lake, Donald Sinden, Alexei Sayle, Pope John Poul and Even magazine has certainly got my vote.

playing of near perfection in most of its elements, scrupulously faithful to its text, and indeed on its every apparent surface wonderfully expressive - yet by some paradox impossible to explain, but only to observe, almost wholly distanced from the spirit of the music. Perhaps Michelangeli demands that we listen, and interpret, with our ears, certainly, it was in their quality of absolutely uncompromising purity and nakedness, and not for any deeper currents, that we could find the twin inner movements of op 7 so beautiful and so affecting.

Miles Davis at Hammersmith

Covent Garden

Scenes de Ballet

I love Scenes de Ballet the far side of idolatry, finding in it Ashton at his most classically precise, wittily allusive, musically responsive, prodigal in step and image. It is a ballet so compact yet so spacious - like Balanchine's Agon - that we can leave the theatre at the end of its 20 minutes as well nourished, aesthetically, as if we had watched one of the great Petipa spectacles which inspired Scenes's attitudes and manner.

scenarist traveller in Bermuda shorts. Musically, the spoof could have been tighter. But the banal, undisciplined lyrics are spot on, as is the callous manipulation of plot line, puppet choreography and absurd David Harvey-style lighting. Addicts of the TV series will recognise with delight the ebullient number for dancing truck-drivers and the clever elision of Atkinson's Freoch mime sketch with a burst of John McEnroe's tantrums from Rhys Jones who is disrupting the act by rustling his candy papers. The SDP is memorably defined in the Speech Defect Party (Woy goes on about "high-walking politicians") by the wonderful Rowan Atkinson garbardin-clad loony who speaks for all who air their views on open-house radio programmes. And Pamela Stephenson struts her inimitable brand of sexy feminism in a number that matches awful lyricism with organic cliché. NOT to be missed - if you can get in.

Albert Hall

Pavarotti by RONALD CRICHTON

To inaugurate their national appeal, under the Royal Patronage, the Royal Albert Hall on Tuesday night by the Queen Mother and with their new president Yehudi Menuhin in attendance. Top prices and full ball, especially in those tell-tale balcony regions where empty rows look dismal and affect the sound. On the platform the star of the occasion was the tenor Luciano Pavarotti, beaming with good nature, extending his arms as though to embrace us all, clutching in right hand a white kerchief which seemed to promise par-lour magic.

his music lights up on a first-rate voice! One may not easily envisage Pavarotti as Edgar of Ravenswood in the theatre, yet the aria from the last act of Lucia was stirring, and "Una furtiva lagrime" an encore, though over-sized, mostly because of the ovation which the stells vulgarly started to soon. The conductor was Kurt Herbert Adler, the distinguished and experienced former director of the San Francisco Opera, one of those beings one reads about in specialist magazines but doesn't expect to behold in the flesh. He won our gratitude with the jolly overture to Verdi's Un giorno di regno, a rarity in concert halls, and with an account of the Berlioz Romeo and Juliet which held the tenor-worshippers completely still.

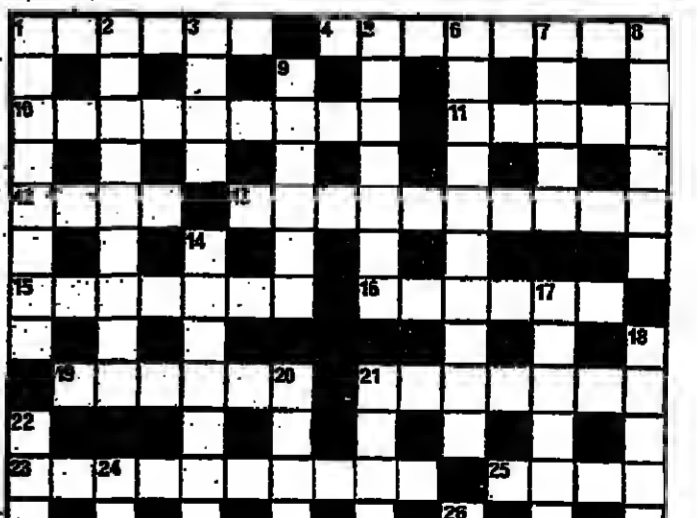
Saleroom

Wagner collection brings high prices

The collection of 400 letters and manuscripts of Richard Wagner and his circle sold at Sotheby's in London yesterday made £118,829. John Fleming, New York, gave \$4,500 for a letter from the composer to Princess Carolyne Sayn-Wittgenstein about Liszt and his own opera. An autographed manuscript of his "Motto for the German Fire Brigade", comprising nine bars for a four-part male voice choir in G major, fetched \$3,600. Both lots were well above pre-sale estimates.

F.T. CROSSWORD PUZZLE No. 487

- 1 Instigate enlightenment (8)
2 One perfume that's sour (7)
3 Feeling I must appear in judgment (9)
4 Fragrant oil causing rodent to turn (5)
5 The author of much literature at another time (4)
6 The full number present it's said (10)
7 Committee going to advertise a fertiliser (7)
8 English empire builder in Doboucasen island? (6)
9 Bird and soldiers returning to festivity (6)
10 Cut short a dog-end? (7)
11 Beat down the price of a house and impress the fact strongly (6, 4)
12 Be careful to hollow out (4)
13 Put a tax in the tax (5)
14 A proclamation in a manner of speaking (9)
15 Procrastinate, making eastern leader sit in leathery (8)
16 Voluntarily surrounding a slippery customer with a lot of little fishes (6)



ART GALLERIES

- ANTHONY DAUGOUR. An exhibition of drawings and paintings from 1975 to 1980. Royal Academy, London, until 18th April. Mon-Fri, 10-5.
BROOKS & DUNN. 19, Cork St. W1. 724 7504. British Paintings & Drawings.
GEOFFREY GALLERY, 10, Bruton St. W1. 734 1523. Exhibition of 19th-20th Century Art.
LARTIN-JIM GILBERT.
LEFEBVRE GALLERY, 30, Bruton St. W1. 734 1523. Exhibition of 19th-20th Century Art.
MONTAGNA GALLERY, 74, South Molton St. W1. 754 1523. Exhibition of 19th-20th Century Art.
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ALBERT HALL. Royal Albert Hall. Pavarotti. TALK OF THE TOWN. Miles Davis. COVENT GARDEN. Scenes de Ballet. SALEROOM. Wagner collection.

LYRIC HAMMERSMITH. Miles Davis. COVENT GARDEN. Scenes de Ballet. SALEROOM. Wagner collection.

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FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

Telephone: 01-235 3000

Thursday April 15 1982

A determined House

THE emergency debate on the Falkland crisis in the House of Commons yesterday—the third on the subject within two weeks—can have left no doubt whatsoever that practically the entire House is united behind the Government's strategy.

It was not just that MPs on all sides listened to Mrs Thatcher with respect. The most striking manifestation of unity was the way Tory back and front benches repeatedly nodded their agreement and approval as Mr Michael Foot, the leader of the Labour Party, gave his full support.

There was also a notable difference in mood from the first debate on April 3. At that time, the House was united, but it was a kind of emotional, jingoistic fury that held it together.

As Mrs Thatcher put it, the strategy has three elements: diplomatic, military and economic. It is the combination of pressures on all three fronts that is intended to bring about an Argentine withdrawal from the islands.

far been respected. And support for economic sanctions, especially from the European Community has been unprecedented both in the speed with which it was offered and in its comprehensiveness.

What Britain is attempting is something new in international relations. It is not so much deterrence—since the aggression has already taken place—as a compulsion, backed by international law and economic power. If the exercise comes off, Mrs Thatcher is right to say that the rule of law will have triumphed. That, no doubt, is one of the reasons why Mr Foot and Dr David Owen, for the Social Democrats, support her.

There are, of course, still pitfalls ahead. The attitude of the Soviet Union is uncertain. It has fished in troubled waters before and the Argentinian regime could call for its assistance. Yet the international pressures for the Russians to stay on the sidelines must be mounting. They would have very few friends if they went against the UN Resolution.

For Britain there may still be a need for patience. In the short term that should be no problem, since the main task-force is barely half-way there. The aim of the exercise is to ensure a solution without a shot being fired.

It is to that end that the display of force is necessary. Yet what matters most of all is the combination of military, diplomatic and economic pressures. So far, they are working remarkably well together.

Middle East danger signals

THE DEPLORABLE act of a lone and probably demented gunman in Jerusalem on Sunday has underlined just how fraught are the political and religious tensions in the Middle East.

In a more stable part of the world the incident might have rested with the competent police or medical authorities. Instead, because the gunman was Jewish, because the two people he killed were Arabs and the site the third holiest Islamic shrine, the reverberations have been felt well beyond the region.

A dozen Islamic countries heeded the call from King Khalid of Saudi Arabia for a day of protest. In the conservative Arab Gulf the shutdown was almost total. The sensitivity of the Saudis—as the guardians of the shrines at Mecca and Medina—to the Jerusalem incident should not be underestimated. In 1989 when a similarly unbalanced Australian attempted to burn down the Al-Aksa mosque in Jerusalem he provoked the formation of the 41-member Islamic Conference Organisation.

Yet the religious aspects cannot be divorced from the harsh political realities in the Israeli occupation of eastern Jerusalem, the West Bank and Gaza where more than 1m Palestinians live.

That occupation has lasted almost 15 years and has resisted repeated diplomatic efforts to find a solution which would answer both Israel's security requirements and the aspirations of the Palestinians. With the still expected Israeli withdrawal from the final part of Sinai due to take place on April 25, the limited machinery for negotiation established under the Camp David agreements will also have been robbed of most political will.

This strengthens the hands of those Israelis who argue for outright annexation of the West Bank. They can point with confidence to the utter disarray of the Arab countries, the desperate struggle for survival by several regimes, and their inability to agree even on the most basic plan for a settlement. They can also point to the apparent lack of American will to force the pace in the search for a settlement. If the peace treaty between Israel and Egypt is to be the only lasting achievement of Camp David then there is an urgent need for a new

initiative on the critical problems which it did not solve. There is every risk of a vacuum developing with the still largely unknown President Mubarak of Egypt increasingly vulnerable to Arab criticism in his role as the only bridge between the Arabs and Israel.

Militant Zionists would favour a swift, harsh blow against the guerrilla forces of the Palestine Liberation Organisation in southern Lebanon, imposition of a form of limited local autonomy on the West Bank and Gaza and an announcement that the occupied territories are now within Israel's international borders.

The likelihood of this happening must increase in direct proportion to the level of Western disinterest in the crisis. And it is this same perceived disinterest which completes the circle of intransigence by forcing more moderate Arabs to give way to their radical brothers.

The Reagan Administration has enjoyed some success in dampening the small Middle Eastern brushfires which have threatened to develop into wider conflagrations. But these acts have never been any substitute for policy. The evacuation of the European initiative and now the departure of Lord Carvering has only emphasised the lack of fresh Western approaches to the problem.

Moreover, the crises in Poland, Central America and now the Falklands are a most unfortunate distraction preventing the State Department from responding more constructively to what is happening in the Middle East.

A radical rethink is urgently required, perhaps starting with Israel's basic security requirements. If the West could discover a formula which would convince the majority of Israelis that their existence as a nation was guaranteed internationally, then perhaps the rest of the jigsaw would fall reluctantly into place.

The current drift in Western policy can only encourage the extremists in either camp. Worse than that, it may be providing fertile breeding ground for the most radical forms of Islam which, buoyed by the recent military successes of Iran, may be poised for further advances throughout the Middle East.

Why there are no glib answers

JOB CREATION

By Ian Hargreaves

LABOUR said the famous dole-queue poster of the Tories' 1973 general election campaign, "isn't working."

JOB CREATION: A CONSUMERS GUIDE

Table with 4 columns: Scheme Name, Numbers covered (end February), Gross cost (1981/82), Forecast cost (1982/83), and Comments. Rows include Youth Opportunities Programme (YOP), Apprenticeship support, Community industry, Young Workers Scheme, Temporary Short-Time Working Compensation Scheme, Community Enterprise Programme (CEP), Job Release Scheme, and Enterprise Allowance.

the trade unions, but also by the CBI. The latter is under pressure—especially from building trade members about unfair competition from CEP programmes, and by the voluntary organisations, which resent the fourth re-organisation of the community work programme within four years.

This year, as unemployment in Britain passed the 3m mark, Mrs Margaret Thatcher has surprised many by her refusal to shift economic strategy in the face of numbers which could be electorally suicidal.

who devised it. This scheme subsidises employers who pay young people less than £45 a week gross and, for obvious reasons, is the most controversial item in the "cheap labour" row.



Mr Norman Tebbit being shown work done on a YOP scheme.

Itself is, meanwhile, becoming rather well-established, with 40,000 subsidies requested so far and 100,000 expected by year end.

But the absence of a reactionary U-turn should not be allowed to create the impression that Mrs Thatcher is whistling while 11.5 per cent of the country is not working. Her Government is, in fact, engaged in an unprecedented and many-faceted attack upon the size of the unemployment register through what Whitehall calls "special employment and training measures"—job creation for short.

Part three of the strategy is the Job Release Scheme for early retirement. The Government has proceeded cautiously here in the face of the huge costs of any general reduction in the retirement age and the patchy evidence that in an over-manned economy like Britain's a lower retiring age would actually create jobs for others.

When Mr Tebbit gets the MSC report later this month, he will thus be faced with a tricky decision. He needs the support of the trade unions and the employers to make any new training initiative work at the local level, but those interests have now united within the MSC, allowing the TUC to more effectively challenge Mr Tebbit on the sacred turf of the cheap labour argument.

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As this safety net has unravelled, however, so too has the Government's determination to inject jobs into the economy. Its deeply held belief that the real way to create more jobs is to lower the price of labour. Trade unionists, for whom cheap labour is the battle-cry of the sweat-shop, have as a result threatened to resign from the tripartite Manpower Services Commission, which administers most of the job creation plans.

In social terms, there is widespread agreement that YOP and its adjuncts are performing a vital, if palliative function in softening for one of the country's most innocent and vulnerable groups the damaging sense of rejection which always accompanies unemployment.

There have been disputes about the right level of remuneration for YOP workers (currently £25 a week) and about the extent to which YOP jobs are destroying ordinary jobs in the companies involved. This "substitution factor" is put, even by the MSC, at 30 per cent, although in some sectors

such as retailing, it may well be much higher. It is also true—although this is less part of any sectarian debate—that as unemployment has risen, YOP graduates have found it increasingly difficult to transit into conventional jobs. These days the success rate is about one in three. The rest go to swell the ranks of the long-term unemployed.

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Men & Matters

Rothchilds' new world

The Rothschild firm in the United States has found a hawk-eyed Harvard lawyer to run its show. He is Robert Pirie, aged 47, who was booted and spurred in the rough and tumble of Wall Street and is already a veteran of the mergers and acquisitions business which so dominates American corporate life.

Woody's million

Benjamin "Woody" Woodson has earned most of the honours the insurance world can provide. As president and later chief executive of American General of Houston he took it from a company with \$36m assets and no policies sold outside Texas to the 12th largest U.S. financial conglomerate with assets of more than \$10bn.

Royal harmony

Monarchs are a very special group of mortals who apparently are able to transcend the European Commission's passion for harmonisation. Wisely, perhaps, given all the other things on its plate at the moment, Brussels has decided that neither the equal pay principle nor rules dealing with sex equality in employment need apply to the rules governing succession to the British throne.

Heavenly choice

A Welsh sea captain, marooned for many years on a Pacific island, was discovered one day by a passing frigate. A naval lieutenant came ashore to greet the grey-bearded old salt.

The best meetings take place

For over a decade, people with a sense of occasion have chosen to rendezvous at the Inn on the Park. Now, we're also glad to say, people with good business sense are choosing the Inn on the Park for meetings of another kind.



"Hag can handle Galtieri. He's used to dealing with duplicitous bastards"

Irregulars Anyone for chess? The Kings Chess Tournament, the strongest

Observer

ECONOMIC VIEWPOINT

A slightly tarnished miracle

By Samuel Brittan, recently in Austria

BY MOST international yardsticks, Austria is one of the few success stories of the Western world. Since the late 1960s its average economic growth rate has been above that of the European OECD countries, and its inflation rate well below them.



Work is Our Policy for Austria: an advertisement by the ruling Socialist Party. Unemployment is said to be "especially high in formerly rich countries with conservative governments. In England there are 3m out of work, in the U.S. 10m, even 500,000 in 'Little Belgium.' Unemployment is also rising in Austria. Therefore the Socialist Government has adopted a 12-point employment programme."



The proposed conference centre is said to strengthen Vienna as the "third UN city" and as a major international conference centre; thus "bringing our country more security."

Many of these success indicators would apply, at least until recently, to Germany, which Austria buys over 40 per cent of its imports and sells over 30 per cent of her exports. The feature which distinguishes Austria sharply from her larger neighbour is, however, its low unemployment. German unemployment is approaching 2m and already represents more than 8 per cent of the labour force. After a year of zero growth Austria's unemployment is 3 to 3 1/2 per cent.

The ultimate reason why an indefinite expansion of the budget deficit cannot be sustained is that it would jeopardise the hard currency policy. When I pointed out that the policy was basically monetarism applied to a small country, I was advised to keep this thought to myself. For monetarism has become a dirty word, even along the Danube.

THE CONSERVATIVE PARTY lived and followed by a series of damaging inquests about the Government's failure to anticipate the invasion. Above all, Mrs Thatcher's dominance will have been questioned. Nevertheless, Mrs Thatcher still has many assets and could still triumph (within the Tory Party) if there was a "successful" and "relatively bloodless" military action.

Lombard Tribal loyalties among the Tories

By Peter Riddell

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Letters to the Editor

The City's role as a custodian of foreign assets

From the Managing Director, European Banking Co. Sir—The Falkland Islands crisis and consequent action by HM Government in imposing financial and commercial sanctions have provided new grounds for questioning London's pre-eminence as an international financial centre, at least in the minds of financial journalists for whom this is an ever popular subject.

reasons, but none of these relates to neutrality or any similar concept. Anyone doing business in the City or anywhere in the UK accepts the protection of the British Government and is also exposed to the consequences of foreign policy issues affecting Britain's trade and its trading partners. The City is not, and has never been, an offshore financial centre. Anyone seeking a more neutral site from which to do business internationally would tend to choose a neutral country such as Austria or Switzerland.

The objectives of monetarism

From Mr P. Wright. Sir—In reply to my letter of March 19, Mr F. Malcom (March 29) suggests that I was implying something sinister about government economic policy. Not so, I was merely trying to demystify it. After all, the Government's proposals are contradictory and confused—two familiar mouthings are that we have been paying ourselves more than we have earned and that the Government has been printing too much money, each of which can of course imply entirely different notions about the causes of inflation and the way in which it should be tackled.

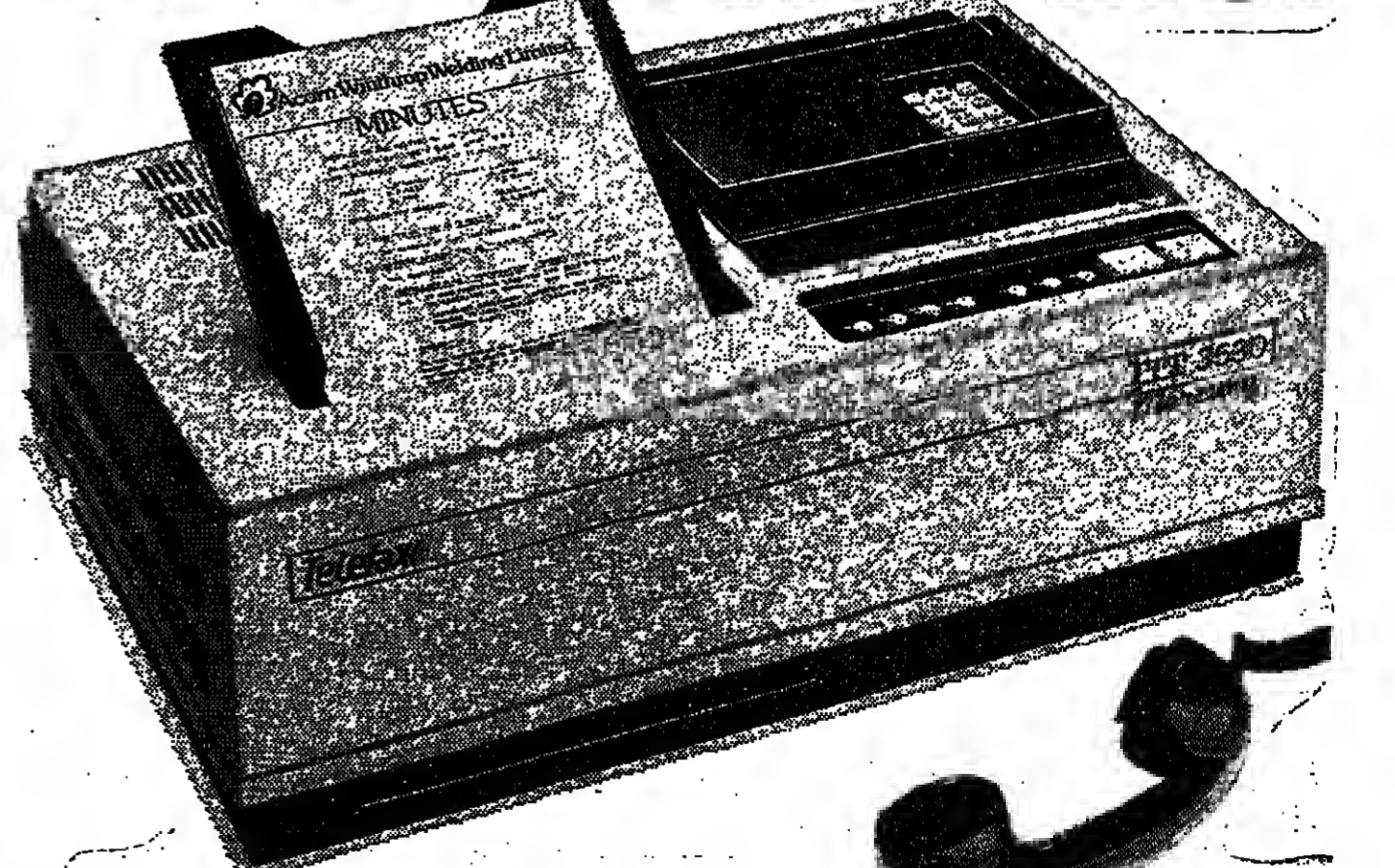
National Health purchasing

From the Chairman, Heating, Ventilating, Air Conditioning and Refrigeration Equipment Sector Working Party, National Economic Development Office. Sir—Co-ordinated purchase schemes in the National Health Service (April 2) have great attractions from a suppliers' point of view—and we in the heating, ventilating, air conditioning and refrigeration industry are keen to push the point.

The CBI Budget representations

From the Economic Director, Confederation of British Industry. Sir—The article by Christopher Lorenz in the Lombard column (April 2) implies that the CBI Budget representations

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UK COMPANY NEWS

Blackwood Hodge £4m down

ACTION TAKEN by earth-moving and construction equipment concern, Blackwood Hodge, and its suppliers to meet competition and improve penetration in reduced markets, has helped the group wipe out its mid-year losses at the pre-tax level.

Taxable profits for the year to end 1981 however, emerged well down from £4.95m to £1.02m—at halfway, losses of £1.9m (£3.52m profits) were reported. Group sales for the 12 months rose by 17 per cent to £349.6m, although part of this increase was due to inflation and exchange rate movements.

Pre-interest profits showed a 4 per cent rise from £15.29m to £19.06m. Reflecting the continuing high cost of borrowings, interest charges amounted to £18.07m (£13.82m). The share of profits from the Nigerian associate was higher at £1.11m (£0.56m), but there was an exceptional charge of £1.1m this time against the possibility of loss on debts owing to an African subsidiary.

Although the full year figures appear to indicate a second-half recovery after the losses of the first six months, this is not necessarily the case, the directors state.

Comparison between the first and second half is difficult because the group's spare parts

holding is estimated at the half-way stage and valued in detail only at the year-end.

Tax charge was £2.61m (£2.65m) making a net loss of £1.6m (£2.34m profits). After minorities of £55,000 (£242,000) and an extraordinary debit of £950,000 (£500,000 credit)—payment for goodwill in the acquisition of companies in the UK and Canada—the attributable deficit emerged at £2.61m. The 1980 profit at this level of £4.95m included a £1.98m deferred tax release.

In spite of this deficit, the directors are confident of the group's ability to improve profitability when conditions become more normal. Trading results for the first two months of 1982 show a material improvement on last year and the directors say estimates for cash flow show no grounds for concern.

In these circumstances, they have decided to continue the payment of an ordinary dividend at a reduced level. The proposed final dividend of 0.75p net is recommended making a total for the year of 1.25p (2.5p), which absorbs £1.06m (£2.06m).

Basic loss per 25p share is stated as 2.31p (2.53p earnings) and fully diluted as 1.25p (2.5p earnings).

Sales by the group's UK companies increased from £100.8m to £116.7m, mainly because of

HIGHLIGHTS

Lex looks at the 1981 results from Burmah Oil which are better than the board had suggested they would be six months ago. Pre-tax profits are up £20m to £32.5m and the dividend payout is lifted by 2p to 8 1/2p. The column then moves on to look at Blackwood Hodge's showing. It is still paying a dividend, which pleased the market, although its earnings remain under considerable pressure and the balance sheet remains highly geared. Lex then briefly comments on the situation at Empire Stores where the shares were suspended in the morning prior to an announcement that the mail order house was in talks with Great Universal Stores under somewhat obscure circumstances. Finally Lex looks at the 1981 figures from News International showing a £22m turnaround into the red, largely as a result of problems at The Times.

a large volume of export sales. While trading profits showed an improvement from £6.07m to £7.83m.

Continuing lack of demand meant that in Europe sales fell from £49.5m to £43.8m and there were losses of £44,000 (£365,000 profits). Sales and profits in Africa, both showed modest increases—£46.4m (£40.3m) and £2.93m (£2.44m) respectively.

In Australia, sales were substantially higher at £75.5m (£52.5m) but profits fell slightly from £2.7m to £3.4m due to lower profit margins. Sales in Asia showed a small increase to

£5.6m (£5.7m) but profits dropped from £730,000 to £383,000. As in previous years, a large volume of business in this region was dealt with by the group's UK companies.

In North America, turnover increased in currency terms by 4 per cent but on conversion into sterling the improvement was 16 per cent to £57.6m (£49.5m). Lower margins meant profits were down from £1.28m to £4.45m.

Current cost figures show a pre-tax loss for 1981 of £5.22m (£1m). See Lex

Pearl's profits increase by 10%

NET PROFIT in 1981 of the Pearl Assurance Company rose 10 per cent from £10.55m to £11.52m, despite a doubling of the underwriting loss in the general branch from £3.57m to £7.35m.

Shareholders receive a 15 per cent increase in their dividends from 20p to 23p with a final of 14.5p.

Investment income in the general branch rose by 14 per cent from £5.56m to £7.48m which just covered the higher underwriting losses. A small tax credit enabled the general branch to show an after-tax profit of £350,000 against £1.69m in the previous year.

The growth in profits last year came mainly from the life business. Total life branch surplus increased by 11.5 per cent from £3.3m to £3.72m of which £33.55m (£74.51m) went to policyholders, and £9.19m (£8.22m) went to shareholders. Premium income rose 9 per cent to £27.8m.

The unit-linked life subsidiary produced a surplus of £773,000, of which £704,000 was transferred to profit and loss. The company has decided that there is no reason for retaining profit in this subsidiary any longer and a dividend of £500,000 has been paid to the parent company.

Premium income in the general branch rose 16 per cent to £61.04m. The bulk of the underwriting losses occurred in the motor account which rose from £340,000 to £329m. Half this loss came from strengthening reserves for some outstanding third party claims. But there

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Adwest Group	2.1	June 9	2.1	5.6	5.5
Air Call	3.75	May 27	5.5	10.5	10.5
Alva Investment	5.5	May 28	NH	8	8
Ancher Chemical	1.3	June 4	1.3	2.05	2.05
Aquascutum	1.4	July 1	1.4	2.2	2.2
Barrow Hepburn	0.35	May 21	0.35	0.35	0.35
Bifrecoed Eng.	0.1	June 4	—	0.1	1
Black & Edington int.	0.75	May 29	1.5	1.25	2.1
Blackwood Hodge	5.92	April 30	5.21	10.17	8.6
Brutonson	7	July 1	8	8.5	6.5
Burmah	1.05	July 1	0.86	1.48	1.2
L. J. Dewhurst	1.0	May 24	1.6	1.6	1.6
Greenbank Industrial	1.11	July 1	6.6	11.62	9.4
Hambro Life Assurance	1.11	—	1.11	1.48	1.48
Helewa of London	0.89	June 25	0.81	—	2.8
Ingall Inds.	2	July 5	1.5	4	3
J. B. Holdings	5.5	July 1	5.5	10	9.5
Lyle Shipping	1.5	July 1	1.5	2.6	2.6
Midland Inds.	30	June 18	15	—	30
New Central Wils*	14.5	—	13	23	20
Pearl Assurance	14.5	May 28	—	3.5	—
Utd. Ceramics	1.75	July 3	1.25	3	2.25
Wilson (Comonly)	—	—	—	—	—

claims in addition to suffering from December's bad weather. In particular its motor losses were disappointing, compared with other insurers and the company has been losing market share. Life profit growth is being held back by the costs of reorganising the sales force and the one bright spot is the profit contribution from its linked life business. The share price dropped 6p to 386p in the results and yields 8.8 per cent.

terminal bonus rates have been increased.

comment
The results of Pearl Assurance were disappointing, with the higher than expected losses on general insurance business compounded by a lower increase in the life profits than anticipated. The life profits have been struggling to get its general insurance business into reasonable shape for some years, but in 1981 it was hit by a series of exceptional

Air Call rises 54% to £0.96m

FOLLOWING a rise in midway profits from £210,000 to £437,000 pre-tax, Air Call, message handling services and medical deputising services concern, finished 1981 with a taxable surplus of £963,000, against £327,000—a rise of some 54 per cent.

Earnings per 25p share of this Unlisted Securities Market company increased from 19.6p to 23p and the dividend is boosted to 5.6p (8.625p) net with a final payment of 3.75p.

The directors say that communications businesses grew in every sector and coverage around the large contributions was extended.

Tax charge for the year took £77,000 (£51,000 credit) and after minority interests of £5,000 last time, an extraordinary credit of £151,000 (£82,000 debit), the available balance came through well up at £1.04m (£632,000). Dividends will absorb £218,000 against £101,000.

The directors state that the Government is considering the allocation of a new band of ultra high frequencies (between 800-900 MHz) for use in the provision of a wireless telephone network. Air Call has already submitted initial proposals to the Secretary of State for Industry for the formation of a private consortium to set up and operate the network.

Barrow Hepburn dips to £1.6m

A DROP from £1.76m to £1.64m in pre-tax profits is reported by Barrow Hepburn Group for 1981. At the interim stage, profits were £1.04m (£1.04m), £776,000, but the 1980 halfway total included £282,000 profit on the sale of investments.

Turnover of this specialist engineer and plastics group rose from £28.9m to £30.61m. The final dividend is unchanged at 1.4p for a same-again total of 2.2p net.

The directors say that although the recession continued throughout the year, turnover and operating profits improved in the second six months, reflecting management action taken to reorganise the group, and the effect of recent acquisitions.

They say most subsidiaries have maintained, or expanded, their share of the market helped, in many cases, by the introduction of new products, but at the cost of reduced margins. In achieving the 1981 profit, the overseas companies made a significant contribution, particularly Luigi Rizzi and Co. in Italy. At the same time, the group benefited from changes in exchange rates.

All subsidiaries are trading profitably with the exception of the Dutton Group, acquired in October. The group is engaged in a reorganisation of the Dutton business.

The pre-tax figure was struck after interest charges up from £265,000 to £314,000 and associate profits of £116,000 (£418,000 losses). Tax took £567,000 (£507,000), of which the UK share was up from £39,000 to £236,000.

Attributable profits were £1.05m (£841,000), which included extraordinary debits last time of £416,000. Dividends absorbed £399,000 (£500,000). Stated earnings per 25p share were down from 4.8p to 3.91p, but on a nil distribution basis they improved from 4.17p to 4.86p.

On a CCA basis, pre-tax profits were £820,000 (£1.14m) and earnings per share 0.63p (2.24p).

comment
In the last year or so Barrow Hepburn has been twirling for small companies to fill gaps in its product range (and in the geographical spread of its distribution businesses). It also forked out £1.6m for Dutton, an engineering contractor specialising in flare-stacks and energy saving devices for aluminium smelters. The disappointing performance of Dutton since its acquisition in October is now leading to a claw-back of half the purchase price. Dutton is to be tidied up, and now that its order book has improved, Barrow is feeling more cheerful about the setback. Existing UK businesses have gone after market share at the expense of margins, on the assumption that margins will recover along with demand. Overall operating profits dropped by 16 per cent. But Barrow's balance sheet is strong enough to back such a policy—and accommodate the odd hiccup—given the continued good contribution of Rizzi, an Italian tanning machinery maker which generated almost half of profits before central costs and interest. In

1981. Stripping out £116,000 of profits from an associate in which Barrow no longer has an interest, the share price of 36p represents just under 12 times fully-taxed earnings. The rising premises that all the remodelling work will shortly begin to come through to profits.

Midland Industries well ahead

TAXABLE PROFITS of engineer and repetition ironfounder Midland Industries finished 1981 at £765,000 with a second half contribution of £347,000. A loss of £659,000 in the second six months last time left a profit of £22,000 for the year.

The group continues to trade profitably despite depressed market conditions and an adverse effect from severe weather at the beginning of 1982, directors state.

They add, however, that there are some cautious signs of optimism leading to the view that an improved performance can be expected in the second half of the current year.

They add, however, that there are some cautious signs of optimism leading to the view that an improved performance can be expected in the second half of the current year.

As already reported, new annual premiums in 1981 rose by 21 per cent, single premiums

Hambro Life dividend up 20%

AN ACTUARIAL surplus of £16.78m in 1981—nearly 20 per cent up on 1980—has been disclosed by Hambro Life Assurance following the annual valuation.

Shareholders get a 20 per cent increase in their 1981 dividends, with a final of 8.02p per share bringing the total to 11.52p, against 9.6p.

A total of £15.1m of the surplus is transferred to the profit and loss account, of which £11.45m is absorbed in dividend payments, less waivers. The retained earnings for the year of £3.61m together with the balance brought forward results in distributable reserves of £9.7m, with share capital and reserves amounting to £15.53m.

The remainder of the actuarial surplus has been kept in the long-term assurance fund, bringing the retained surplus to £17m.

As already reported, new annual premiums in 1981 rose by 21 per cent, single premiums

by 47 per cent and new initial commission payments by 25 per cent. Total premium income received in 1981 advanced by one-third from £241m to £320m and total assets at the end of 1981 amounted to £1.4bn, against £1.12bn at the beginning of the year.

The company reports new business for the current year to end-March to be comfortably ahead of that for the corresponding period last year. Substantial progress has been made in increasing productivity, and controlling costs.

comment
The near 20 per cent rise in the actuarial surplus of Hambro Life was in line with expectations and confirms the market view that the company has entered the next phase of its development. No longer can one expect the sensational growth rates seen in the early days. New business in the first quarter has pro-

Brooke Tool sees loss increasing

HIGHER pre-tax losses for the first half of this year compared with the second half 1980-81, were predicted by Mr Sandy Saunders, chairman of Brooke Tool Engineering (Holdings) at the annual meeting. He was unable to see a return to profits before 1982-83.

Second half losses to September 1981 amounted to £58.5m.

In his last annual statement he had noted that losses were being made in the first half. "Our trading position has marginally improved on the last six months of 1980-81," he said, but added that increased interest charges caused by acquisitions would result in higher losses.

He stated that new acquisitions were trading profitably and the level of enquiries was encouraging. He said he was satisfied that the company had a competitive product range for when orders came to be placed.

Politics of support.

In BTR, we care about public opinion. For example, about reactions to features of our growth.

Such as the thrust of our expansion programmes. The contiguity of our acquisitions in manufacture, technologies or markets. Our success, even.

And why? The reason is simple. With encouragement, not cynicism; with support, not envy, we can do even more for our people and our economy.

BTR
BTR plc, Silvertown House
Vincent Square, London SW1P 2PL
01-834 3848

1981 RESULTS AND FINAL DIVIDEND

“Burmah has been successful in turning 1981 into a much better year than we expected at the interim stage. The Group is well placed for future growth.”

Sir Alastair Down, Chairman.

PROFIT BEFORE TAX	PROFIT AFTER TAX	EARNINGS PER SHARE	FINAL DIVIDEND
Up 32 per cent to £82.3 million (1980: £62.3 million)	Up 18 per cent to £37.2 million (1980: £31.5 million)	Up 22 per cent to 23.75p (1980: 19.51p)	Up 40 per cent to 7p (1980: 5.0p)

RESULTS	1981 £million	1980 £million
Turnover net of duties	1,407.9	1,231.0
Operating profit	100.2	84.2
Income from investments	7.5	2.8
Interest	107.7	87.0
	25.4	24.7
Profit before taxation	82.3	62.3
Taxation	45.1	30.8
Profit after taxation	37.2	31.5
Minority interests	2.0	2.4
Profit before extraordinary items	35.2	29.1
Extraordinary items	(47.6)	1.5
Attributable to stockholders	(12.4)	30.6
Dividends	13.2	10.4
Transfer to reserves	(25.6)	20.2

(The extraordinary charge results mainly from the decision to run down Ellesmere Port Refinery.)

To: The Secretary, The Burmah Oil Public Limited Company
Burmah House, Pipers Way, Swindon, Wilts, SN3 1RE.

Please send me a copy of the Annual Report and Accounts 1981.

Name _____

Address _____

The Burmah Oil Public Limited Company

The Annual Report and Accounts will be published on 11 May 1982. If you would like a copy, please fill in the coupon. The AGM will be held in Glasgow on 4 June 1982.

The Burmah Oil Public Limited Company
Burmah House, Pipers Way, Swindon, SN3 1RE.

Companies and Markets

UK COMPANY NEWS

Helene falls to £504,091

FOR THE second year running Helene of London, a designer and manufacturer of fashion leisure-wear, reports a sharp drop in profits. In the second half of 1981 the profit amounted to £301,091, compared with £205,000 in the first half making a total of £504,091. This represents a fall of £82,922 on the 1980 total and compares with a record £1.7m in 1979.

The directors state that the mid-year forecast that the second half result would be better than the first proved to be correct "but the signs which we hoped would indicate a general improvement in the economy were not fulfilled."

They say it is too early to forecast results for the current year but if trading continues at current levels an increased profit is anticipated. With this in mind the dividend total for 1981 is held at 1.85p, with a final of 1.11p net per 10p share.

Group sales in 1981 were lower at £12.24m (£13.7m). Net attributable profits came through at £383,678 (£522,985)—equal to earnings of 1.5p (3.7p). Current cost profit before tax is shown at £408,000.

comment

Helene continues to breathe, barely, in the worst trading conditions it claims to have seen in 20 years. Despite the abnormal lack of demand volume has been maintained by accepting meagre margins. The group has had some success with setting up small businesses, but the present climate has slashed its success ratio to 50-50.

Receiver for Computer Services

At request of the directors, a receiver and manager was appointed on March 29, 1982 to Computer Services Centre Group, an unquoted public company, and to eight of its subsidiaries.

The receiver is Mr Stephen Adamson of Arthur Young McClelland Moores and Co., chartered accountants.

He is continuing the trade of the group, and a new wholly-owned subsidiary, Computer Services Centre (1982), has been formed for this purpose, which has acquired the majority of the trading assets of the business.

Interest has already been expressed by various potential purchasers and the receiver is confident in being able to sell the new company on a going concern basis.

Lyle Shipping maintains £6.7m but sees downturn

SECOND-HALF taxable profits of Lyle Shipping Co. fell from £4.36m last time to £3.06m, leaving full year figures for 1981 only marginally ahead of £6.71m, compared with £6.86m. The 1980 results, however, included a £2.11m surplus on the sale of ships.

The final dividend is a same-again 5.5p net, for a total payment of 10p (9.5p) per share. In his annual statement with accounts, Mr Calum MacLeod, chairman, comments that 1981 results are lower than expected at the time of the interim report, because of a severe fall in freight rates in the second six months.

The outlook for the shipping division in 1982 is not good, he warns. While the offshore services side is expected to show further significant improvement, this will not be enough to offset a severe downturn in shipping and as a result, group operating results for 1982 will be well below the 1981 level.

In line with generally poor expectations for the dry cargo shipping sector, the board does not foresee profitable trading this year for vessels chartered-in by Lyle in 1981. Current indications suggest that the shipping division as a whole will not break even in the first half of 1982 and a moderate freight market, the outlook for the remainder of the year is very similar.

comment

Lyle's 67 per cent rise in operating profits is a commendable performance in difficult trading conditions, but is no better than the market expected. The £1.4m turnaround to offshore services chiefly reflects oil company decisions taken two years ago to develop new fields in the North Sea.

Though this is a cyclical business, current trading is not showing a downturn. There was a 35 per cent rise in shipping profits despite the fall in freight rates, but in the last quarter the slide in rates accelerated, which may be behind the decision not to increase the final dividend. This year competition will be stiffer still, with a lot of new bulk carrier tonnage coming on stream.

Lyle is to a net cash position, following last May's 25m rights issue. Yesterday the share price lost 5p to 260p, yielding 6.6 per cent.

comment

Lyle's 67 per cent rise in operating profits is a commendable performance in difficult trading conditions, but is no better than the market expected. The £1.4m turnaround to offshore services chiefly reflects oil company decisions taken two years ago to develop new fields in the North Sea.

Turnover for 1981 rose from £21.58m to £26.49m and at the operating level, profits climbed by £2.72m to £4.36m. These profits were after allocating £22,000 (£43,000) for the Lyle employee share scheme, but before ship sales and profits of £72,000 (£111,000) on investment sales.

The provision for the closure of a subsidiary was reduced to £135,000 (£301,000) and there was an exceptional debit from an associate of £183,000. Exchange gains added £576,000 last time.

After a tax credit of £123,000 (£183,000 charge) the net attributable surplus was up from £6.52m to £6.86m. Stated earnings per 25p share, however, fell from 88.6p to 75.9p on a net basis and from 103.1p to 80.6p on a nil basis.

The group's shipowning profits increased from £3.67m to £4.88m. The insurance broking contribution was lower at £100,000 (£124,000), although group finance expanded from £155,000 to £263,000. The sold-off precision engineering side made losses of £112,000 in 1980.

The group's offshore services associate turned in profits of £1.17m against losses of £0.22m previously, but the ship management and broking associate's profits were down from £571,000 to £154,000.

Interest income surged ahead from £0.46m to £1.26m, while interest expense was cut to £1.65m (£1.59m). Interest of £249,000 (nil) in respect of pre-delivery payments of new buildings has been capitalised in the cost of new buildings and is not included in interest expense.

The board continues to believe that no benefit would be derived from the presentation of current cost accounts, which are considered to be inappropriate for a shipping company.

Merchant banker Brown Shipley and Co. is adding to the growing list of currency funds to take advantage of the abolition of exchange controls, with the launch of a Jersey-based open-ended investment company.

This managed fund, titled Brown Shipley International Currency Fund, aims to provide income and capital growth through a very fluid spread of investment in major foreign currency bank deposits, monetary instruments and similar assets at returns only available to large depositors.

Low forging demand hits Bifurcated

DEPRESSED DEMAND for cold forgings has resulted in a decrease in pre-tax losses from £145,000 to £104m for Bifurcated Engineering in 1981. At the interim stage there were losses of £554,000, compared with profits of £478,000.

The directors state that demand for cold forgings remained extremely low throughout the year although a slight upturn in the last quarter helped to reduce second-half losses. This improvement has continued and is likely to be maintained, they add.

However, it is expected that demand is unlikely to return to previous levels and a major restructuring of this side of the group's business has been undertaken. This has involved further redundancies and factory closures.

The directors report that all the machinery companies in the group had a satisfactory year and generated reasonable profits. Order books here are good and output is being increased.

Because of the better order trend in cold forgings the directors are paying a dividend of 0.35p. This is compared with a total of 1.5p for 1980.

Turnover for the year showed a reduction from £15.85m to £14.13m. After a tax credit the attributable loss amounts to £788,000 (£119,000 profits)—equal to a loss of 10.22p (2.4p earnings) per share.

Yielding 6.6 per cent.

CCA pre-tax loss is shown as £1.44m (£1m).

New fund from Brown Shipley

Merchant banker Brown Shipley and Co. is adding to the growing list of currency funds to take advantage of the abolition of exchange controls, with the launch of a Jersey-based open-ended investment company.

This managed fund, titled Brown Shipley International Currency Fund, aims to provide income and capital growth through a very fluid spread of investment in major foreign currency bank deposits, monetary instruments and similar assets at returns only available to large depositors.

The initial offer on April 28 will be of 2.5m participating redeemable preference shares at £1.05 quoted in London, with a minimum entry of £1,050. The annual yield in the first year on the offer price is expected to be in the region of 8 per cent.

In addition to the 5p per share included in the price there will be an annual administration charge of 0.75 per cent, chargeable monthly, and a custodian fee of 0.125 per cent per annum, charged quarterly.

comment

Though Brown Shipley decided against postponing the launch of its currency fund because of the Falklands crisis, the current weakness of sterling will probably mean that initially it will be more heavily invested in sterling—possibly 40 per cent—than intended. Belong a managed fund does not necessarily mean that it can outperform an adept

Greenbank makes 21% advance

A 21 PER CENT advance in profits is reported by Greenbank Industrial Holdings, engineer, for 1981. Taxable figures moved ahead from £1.63m to £1.95m, despite a reduction in sales of some £2m to £9.82m.

First-half pre-tax profits had risen to £539,070 (£453,088) on lower sales of £3.67m (£4.6m) and the directors explained that the effect of reduced sales on profits had been offset by cost savings.

Orders on hand at the end of March, 1982 are well ahead of last year's figure. The directors consider that the group is now emerging from the recession in an excellent condition as regards efficiency with the ability to earn further satisfactory profits.

Stated earnings per 10p share rose by 0.43p to 3.92p, and the year's dividend is higher at 1.6p (1.35p) net with the payment of a final of 1p (0.9p).

Trading profits improved from £1.77m to £1.95m. Depreciation took £78,415 (£244,392) and interest £18,902 (£51,344), but investment income added £363,707 (£151,477).

Corporation tax was up over £37,500 to £93,129 and overseas tax was £10,707 (£11,026), giving net profits of £988,357, compared with £850,472. There was also extraordinary credits—exchange gains—of £77,425 (£478,439 losses) and a deferred tax release of £446,500 last time.

Dividends absorbed £408,200 (£333,080 after waivers) leaving a retained surplus of £580,157 (£157,473).

Yearlings total £9.3m

Yearling bonds totalling £9.35m at 14 per cent redeemable on April 30 1983 have been issued this week by the following local authorities.

Great Grimby BC £1m; Middlesbrough (Borough of) £0.5m; North East Fife DC £0.5m; North East Fife DC £0.5m; West Lancashire DC £0.25m; Brentwood DC £0.25m; Iswyn BC £0.5m; South Wight BC £0.25m; Clydesdale DC £0.25m; Greater Manchester Transport Executive £0.5m; Redfrew DC £0.5m; Vale of White Horse DC £0.75m.

comment

Though Brown Shipley decided against postponing the launch of its currency fund because of the Falklands crisis, the current weakness of sterling will probably mean that initially it will be more heavily invested in sterling—possibly 40 per cent—than intended. Belong a managed fund does not necessarily mean that it can outperform an adept

SCOTTISH WIDOWS' FUND AND LIFE ASSURANCE SOCIETY £25,000,000 in first half year for Scottish Widows unit linked

AIR CALL communications AIR CALL PLC Preliminary Results for the year ended 31st December, 1981

Summarised Extracts from the Chairman's Review 1981 was a very good year for the Group and one that put us back on course after the temporary setbacks of the previous year.

Companies and Markets

UK COMPANY NEWS

MINING NEWS

Amax making fresh cuts in molybdenum output

By Kenneth Marston, Mining Editor

THE major U.S. diversified natural resources group, Amax, announces a further cutback in its important production of the steel-hardening molybdenum. Early next month an additional 20 per cent reduction in manpower and production is to be made at the company's molybdenum operations in Colorado.

Lives lost at FS Geduld and New Denmark

THREE miners are believed to be still missing at the Anglo American Corporation group's Free State Geduld gold mine in South Africa's Orange Free State. An earth tremor on Tuesday resulted in the death of one man and the injury of 20 others.

Australian oil and gas exploration round-up

THE LATEST batch of drilling reports from the Australian oil and gas rigs reveal that the Jackson South 1 exploration well, drilled around 6 km south of the Jackson 1 oil discovery in the Queensland sector of the Cooper Basin, has been completed as a commercial oil well.

BIDS AND DEALS

Batus meets FTC request

Batus, the U.S. subsidiary of BAT Industries has complied with a request from the Federal Trade Commission for information about its \$362m bid for Marshall Field, the Chicago department store company.

Hogg Robinson plans disposal

DIRECTORS of a subsidiary of Hogg Robinson Group, the insurance broker with large Lloyd's of London interests, have reached agreement with the parent company to purchase the subsidiary.

Pentlow buys

Pentlow Holdings has acquired in exchange for shares the entire capital of Chancery Properties, which is principally involved in the development of a 54 acre industrial site near Rochester, Kent.

UTD. SCIENTIFIC £2M ACQUISITION

United Scientific Holdings has reached agreement with the Mel division of Philips to purchase for £2m the majority of the electric optical interest of its business.

TAJ HOTELS EXPANSION

Taj International Hotels, a subsidiary of Indian Hotels Company of Bombay, has exchanged contracts for the 466-room SL Jambh Hotel, Basking, Bangalore, India.

GRINDLAYS HOLDINGS SHARES PURCHASED

Mass Development Company, a subsidiary of Mussad Al Saleh and Sons Group of Kuwait, purchased 320,000 shares in Grindlays Holdings, which owns 51 per cent of the equity of Grindlays Bank.

BSC CONTROLS OVER 50% OF FEDERATED

British Steel Pension Fund Trust has acquired a further 130,000 shares (12 per cent) in Federated Land which, with the holdings acquired from M. P. Kent and M and G Investment Management and the irrevocable commitments given by the Federated board, gives the fund control of rights to assume control of shares representing just over 50 per cent of the equity.

NCC ENERGY

NCC Energy, the UK investment company controlled by Mr Graham Ferguson Lacey, has appointed Drexel Burnham and Lambert Incorporated to advise it on current discussions regarding a possible combination with Simplicity Pattern, the U.S. paper pattern company.

VIBROPLANT

As part of the reorganisation at Vibroplant, the Pilkington family has completed an agreement by which it has sold 3,000,000 ordinary shares in Vibroplant (just over half the capital) to Ackers P. Investment Co, whose capital is owned by the Pilkington family.

Restructuring benefits Adwest

FOR THE half year ended December 31 1981 taxable profits of engineering and automation contractor Adwest Group expanded from £1.63m to £2.07m. The directors explain that trading conditions have not significantly improved during the period, but profits are higher because of restructuring within most of the subsidiaries.

down its dependence on the motor industry and has now brought turnover in these areas down to less than half of the group's total. Even so, profitability in the motor-related division is expected to slump to less than a half of its 1980 peak of this year. With a clean balance-sheet, the group continues to scout for suitable acquisitions for its own plant and tools business.

William Nash, a public but unquoted specialist paper maker, reports a loss before tax of £165,988 for 1981 after showing a deficit of £97,000 in the first half. The loss, which compares with a profit of £100,168, was incurred on turnover down from £192.02m to £9.55m.

Setback at Bruntons but margins show improvement

SECOND HALF pre-tax profits at Bruntons (Manchester) were marginally lower at £717,136 against £730,791, and for the whole of 1981 the figures were £1.48m against £1.65m. This is a reduction of 10.7 per cent but represents an improved profit margin on turnover of 14.82 per cent, against 14.18 per cent.

William Nash losses rise

William Nash, a public but unquoted specialist paper maker, reports a loss before tax of £165,988 for 1981 after showing a deficit of £97,000 in the first half. The loss, which compares with a profit of £100,168, was incurred on turnover down from £192.02m to £9.55m.

Results and accounts in brief

ALVA INVESTMENT TRUST - First 5.6p, making 10.5p (same), year to February 29 1982. Gross income £24,323 (£24,500). Net income £18,232 (£18,633) after all charges including tax £4,520 (£4,427). Earnings per share 0.21p (0.21p). Net asset value per share 25.0p (25.0p).

Continuing improvement expected by J. Bibby

DESPITE VERY competitive trading conditions in all its markets, Mr Leslie Young, the chairman, Mr Bibby & Sons, industrial and agriculture group, looks forward to a further increase in group profits in 1982.

12 per cent from £10.82m to £12.18m, on sales 7.7 per cent ahead at £204.6m. A final dividend of 6.1p net makes a higher total payment of 8.5p (7.15p) per 50p share. A one-for-two scrip issue is also proposed.

BOARD MEMBERS

Table listing board members for various companies including British Empire Securities, General Trust, and others.

LONDON TRADED OPTIONS

Table showing LONDON TRADED OPTIONS for April 14, 1982, with columns for Option, Expiry, Closing price, etc.

EUROPEAN OPTIONS EXCHANGE

Table showing EUROPEAN OPTIONS EXCHANGE with columns for Series, Vol., May, Last, etc.

RESULTS AND ACCOUNTS IN BRIEF

Table showing RESULTS AND ACCOUNTS IN BRIEF for various companies like ALVA INVESTMENT TRUST, RICHARD CLAY, etc.

Advertisement for HITACHI, LTD. (Kabushiki Kaisha Hitachi Seisakusho) 5 1/2% Convertible Debentures Due 1996.

Advertisement for Atlas seeking new loan deal, THE BIGGEST producer of copper in the Philippines.

Advertisement for M. J. H. Nightingale & Co. Limited, 27/28 Lovat Lane London EC3R 8EB.

Advertisement for JAPANESE GOLD DRILLING HITS HIGH VALUES, Japan's Metals and Minerals Exploration Agency.

Advertisement for THE TRING HALL USM INDEX, 118.7 (+0.1).

Advertisement for GB JACKSON ASSOCIATES LIMITED, Computer Software House, and Computer Bureau Company.

Advertisement for LADBROKE INDEX, Close 553-558 (+4).

Advertisement for William Nash losses rise, William Nash, a public but unquoted specialist paper maker.

Advertisement for Results and accounts in brief, listing financial data for various companies.

Advertisement for SPAIN, listing various companies and their financial data.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

U.S. BANKING PROFITS

Strong increase at J. P. Morgan

BY OUR NEW YORK STAFF

J. P. MORGAN, parent Guaranty Trust Company, the large New York bank, reported a strong increase in profits yesterday of over 20 per cent in the first quarter of this year, mainly because of a higher return on its lending business.

Net income before securities transactions was \$99.5m, equivalent to \$2.41 a share, up from \$81.2m or \$1.98 a share in the same quarter last year.

Morgan's net interest earnings benefited from an increase in both volume and yield, rising 25 per cent to \$294m. On the other hand, the bank suffered increased foreign currency transaction losses and a higher provision for credit losses.

makes on its foreign exchange trading was also transformed into a loss of \$2.5m.

Several other bank holding companies have also reported higher profits, though with more modest increases.

An increase in net interest income helped Marine Midland Bank, holding company of New York's eighth largest bank and 15th biggest in the U.S., lift first quarter operating earnings from \$20.5m or \$1.07 a share to \$21.8m or \$1.13 a share.

Net profit after securities transactions amounted to \$19.9m or \$1.04 a share against \$18.6m or 97 cents a share last year. The bank is 51 per cent owned by the Hongkong

and Shanghai Banking Corporation, turned in operating profits of \$37.3m for the whole of 1981, against \$38.4m in 1980.

Mellon National, owner of Mellon Bank, the largest in Pittsburgh, reported virtually unchanged first-quarter operating earnings of \$29.9m or \$1.52 a share. Securities transactions left the net at the same level, compared with \$22.4m or \$1.14 a share last year.

Mellon also increased its net interest income, from \$85.4m a year ago to \$95.6m. However, provision for possible credit losses were increased 24 per cent to \$5.2m.

Republic of Texas Corporation, holding company of 31 banks in Texas, including

Republic National Bank of Dallas, second largest in Texas and 22nd biggest in the U.S., lifted first-quarter operating profits from \$29.05m or \$1.21 a share to \$33.73m or \$1.40 a share. Net profit after securities transactions were up from \$28.05m or \$1.18 a share to \$33.65m or \$1.38 a share.

Wachovia Corporation, holding company of Wachovia Bank and Trust Co., the second largest bank in North Carolina, boosted first-quarter profits from \$15.99m to \$19.44m before securities transactions and from \$13.82m to \$15.89m after. Per share profits at the operating level were up to \$1.21 from \$1.00 and at the net level to 88 cents from 86 cents.

Stroh sees headway on bid for Schlitz

By David Lascelles in New York

STROH, the Detroit brewer, appears to be making headway with his hostile takeover bid for Schlitz.

The company announced yesterday that it had been tendered 20m Schlitz shares, about 68 per cent of the outstanding capital. It also said that the Justice Department, which must review the bid for possible anti-trust problems, had allowed its scrutiny deadline to lapse without seeking further information. This means the Department does not intend to delay the bid, though it could still launch an anti-trust challenge if it saw fit.

Stroh is offering \$16 a share for 67 per cent of Schlitz's 29m shares outstanding, and proposes a merger on the same terms later on, giving the deal a potential value of \$470m.

Schlitz, which has rejected the bid as both inadequate and potentially uncompetitive, has said it is talking to unnamed parties, presumably in an effort to drum up a counterbid. But nothing has yet been forthcoming.

Schlitz was to have merged last year with Helleman Brewing, its neighbour in Milwaukee, Wisconsin, but the deal was challenged on anti-trust grounds by the Justice Department.

Merrill Lynch \$100m facility

By Our Euromarkets Staff

MERRILL LYNCH is raising a \$100m five-year Eurobond facility through its subsidiary Merrill Lynch International Bank — a managing group of seven other institutions.

The facility involves the sale of three- or six-month notes on a revolving basis. It is similar to a \$150m facility which Merrill Lynch managed for Ireland recently.

The notes will bear interest at the London interbank bid rate for Eurodollars and there will be an annual 1 per cent fee for underwriting.

The notes will be issued through Merrill Lynch Overseas Capital NV and will be guaranteed by the parent company. The managing underwriters include Lloyds Bank International, Sumitomo Finance, Societe Generale de Banque, Union Bank of Switzerland, Long-term Credit Bank of Japan, Mitsubishi Trust and Banking, and the Bank of China.

U.S. QUARTERLIES

Table with multiple columns: Company Name, 1982, 1981, 1980, 1979. Rows include Allied Bancshares, Automatic Data Processing, Bancorp of Florida, Baxter Travenol Laboratories, Gannett and Co, Hilton Hotels, Kruger, North American Philips, Owens-Illinois, Pacific Lighting, Southern Pacific, Texas Oil and Gas, and Yen Straights.

IBM tops expectations with first quarter income gain

BY RICHARD LAMBERT IN NEW YORK

NET INCOME of International Business Machines in the first quarter of 1982 rose from \$730m to \$788m — a rate better performance than some analysts had been expecting. The figures would have been significantly higher but for the continued strength of the U.S. dollar.

Mr John Opel, IBM's president and chief executive, said the translation of assets and liabilities resulted in a small exchange gain, but currency movements offset "on the earnings figures." "Bad currency rates remained

constant, year to year gross income would have been over \$400m higher, and net earnings would have been over \$100m higher than reported," he added.

Mr Opel said that high rates of inflation as well as other unfavourable economic conditions in many countries continued to have an adverse impact on earnings. However, shipments showed a good increase and orders exhibited strong growth over the high levels of the corresponding 1981 period.

In per share terms, IBM's

earnings for the period rose by around 4 per cent, from \$1.35 to \$1.30. Some analysts had been projecting a small decline.

In pre-tax terms the increase was rather sharper — up 7 per cent to just under \$1.00. Gross income rose from \$6.46bn to \$7.07bn. Within that, sales were up 11 per cent to \$2.75bn, rentals rose 3 per cent to \$2.85bn, and services were up almost a fifth to \$1.47bn.

The immediate reaction to the figures was a rise from \$62 to \$62½ in the share price.

INTERNATIONAL CAPITAL MARKETS

CIT withdraws \$50m bond

BY ALAN FRIEDMAN

A FIVE-YEAR Eurobond for \$50m for CIT, the consumer credit subsidiary of RCA, was withdrawn from the market yesterday, a week after its launch. The issue, lead-managed by Dillon Read and Salomon Brothers, had carried a 15½ per cent coupon.

The CIT bonds were launched on the same day last week as another \$50m issue for RCA subsidiary — Hertz. Neither issue sold particularly well last week, partly because of fears about the possible disposal of the Hertz business.

These fears were dealt with by commitments outlined in the Hertz issue, but the psychological effect was nonetheless adverse.

One explanation for the withdrawal of CIT yesterday was that CIT had simultaneously completed a \$200m issue in the U.S. bond market, an amount \$50m higher than planned. In the Eurobond market, however, managers of the CIT deal admitted that the launch of Citicredit for two subsidiaries was "an unfortunate

act of timing." One manager explained the withdrawal of the CIT issue as a result of the flood of better-rated Triple A paper last week. The better quality paper grabbed more attention from investors and left CIT selling sluggishly.

The CIT bond had been designed as a Eurobond debut. A \$150m seven-year issue was launched yesterday for Ontario Hydro through Deutsche Bank. The bonds bear a 14½ per cent coupon at a price of 97½ to yield 14.80 per cent. The initial market reception appeared to be positive.

Prices of fixed-interest Euro-dollar bonds closed generally unchanged in light to moderate trading. The new \$200m Phillips Petroleum issue, with its 14 per cent coupon, was trading at discounts of 1½ per cent to 1½ per cent in the pre-market.

The Euro-yen bond market saw its 16th issue yesterday when the Kingdom of Denmark brought out a ¥15bn 10-year offer through Nomura Securities.

The indicated coupon is 8½ per cent. In the Euro Deutsche Mark bond sector, the new DM 1.65bn calendar was kicked off last night with a DM 100m issue for Renfe, the Spanish State railway. The coupon of 10 per cent reflects the relative standing of Spanish borrowers in this market. The premium over quality borrowers is a full 100 basis points. WestLB is lead-manager.

Tomorrow will see a DM 100m issue for Beneficial Finance, the U.S. consumer credit group, through DG Bank. Syndication managers expect a coupon of 9 to 9½ per cent.

Then, on Friday, Canada comes to the West German capital market with a DM 200m issue through Deutsche Bank. The borrower is of sufficient stature and the issue of enough rarity value for the possibility of a coupon below 9 per cent.

The Swiss franc foreign bond market yesterday saw prices dip by around ½ point on average. A \$200m issue for Nippon Steel is expected tomorrow.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these and other bonds see the complete list of Eurobond prices which will be published next on Wednesday May 12.

Table with columns: U.S. DOLLAR, OTHER STRAIGHTS, FLOATING RATE, CONVERTIBLE, SWISS FRANC, YEN STRAIGHTS. Rows list various bond issues with details on issuer, amount, maturity, and price.

John Hancock to take over Wall St. firm

By Our New York Staff

JOHN HANCOCK, the large Boston-based insurance company, joined the move by many of its peers into Wall Street yesterday by making an agreement to buy Tucker Anthony, a securities and investment firm.

The deal is worth up to \$47m in cash and notes depending on Tucker Anthony's earnings performance.

The deal follows recent acquisitions of Wall Street firms by the Prudential Insurance Company, Sears Roebuck, and a number of other companies who view the financial services business as an opportunity to expand.

John Hancock has assets of about \$20bn. At the end of 1980, Tucker Anthony had capital of \$14.3m which ranked it number 68 in the Wall Street league.

Forest products groups slide

BY OUR NEW YORK STAFF

THE DOWNTURN in housing construction and other parts of the U.S. economy continues to take a heavy toll on America's forest products industry. Several major companies have now reported sharp declines in earnings for the first quarter and did not sound too hopeful about the prospects.

International Paper, number one in the industry, said that profits were down by 60 per cent, from \$147.4m or \$2.85 a share to \$60m or \$1.08 a share. Sales were also down, from \$1.3bn to \$1bn, though last year's figures included \$250m

in sales from the Canadian subsidiary which was subsequently sold.

Mr Edwin Gee, chairman, commented: "Our business seems to have stabilised but we've seen no evidence of an upturn. I expect our earnings to remain depressed until the economy enters a sustained recovery."

Boise Cascade's profits fell from \$37.5m, or \$1.40 a share, to \$5.5m, or 21 cents a share. Sales slipped from \$785m to \$713m. Hammermill Paper reported virtually unchanged earnings of \$10.8m, or \$1.18 a share, but this included a gain of \$3.7m on

a financing deal made by February. Sales were up modestly from \$305m to \$328m.

Willamette Industries reported a loss of \$4.7m compared with a profit of \$8.2m in the first quarter of last year. Sales were down 12 per cent to \$314m.

In a recent analysis of the forest products industry, Salomon Brothers, the Wall Street investment firm, said it expected earnings to be poor for much of this year. "Conditions within the industry," it said, "have not been so poor since the 1930s."

Chemicals sector hits Celanese

BY OUR FINANCIAL STAFF

A WEAK performance in the domestic chemicals division has cut into earnings at Celanese Corporation in the first quarter of this year. The group, which earned more than a half of its profits from chemicals last year, is also a major world force in man-made fibres.

Earnings fell by 45 per cent to \$20m or \$1.25 a share in the opening quarter, with sales 6.7 per cent off at \$850m. For the whole of fiscal 1981, earnings dropped from \$141m to \$122m, reflecting the world slump in the industry.

The board disclosed that its chemical business had suffered

the highest earnings decline of its operations during the quarter.

Earnings from U.S. chemical operations dropped to 29 cents a share from \$1.39 in 1981's first three months. Earnings from U.S. fibres dropped to 63 cents from 68 cents, while plastics and specialty products profits dipped to 22 cents from 32 cents a share.

The setback in domestic chemicals, said the directors, reflected lower demand for almost all major products, sharp price competition and persistent increases in the cost of natural gas, a major raw

material for Celanese.

The sharp fall in first quarter earnings is a major disappointment for the group, whose profits were expected to show some recovery this year from the depressed levels of 1981.

While domestic chemical operations were expected to show difficulties, there was hope of useful gains on the fibres and the plastic and specialties divisions—the latter responsible for 9 per cent of 1981's profits.

There was no word yesterday about the group's foreign operations, which last year turned in a small loss on almost one-fifth of total group sales.

NEW ISSUE

The Debentures have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States of America or to nationals or residents thereof. These Debentures having been sold, this announcement appears as a matter of record only.

APRIL 1982

U.S. \$45,000,000

Pacific Gas and Electric Finance Company N.V.

(Incorporated with limited liability in the Netherlands Antilles)

15½% Guaranteed Debentures Due 1989

Unconditionally guaranteed as to payment of principal, premium, if any, and interest by

Pacific Gas and Electric Company

(Incorporated in California)

Credit Suisse First Boston Limited

- List of guarantors: Algemene Bank Nederland N.V., Bank of America International Limited, Banque Internationale à Luxembourg S.A., Banque Nationale de Paris, Berliner Handels- und Frankfurter Bank, County Bank Limited, Crédit Lyonnais, Daiwa Europe Limited, Dresdner Bank Aktiengesellschaft, Kleinwort, Benson Limited, Kreditbank N.V., Samuel Montagu & Co. Limited, Swiss Bank Corporation International Limited.

Union Bank of Switzerland (Securities) Limited

Table listing various international banks and their details, including names like Amro International, Arab Banking Corporation, and others.

INTERNATIONAL COMPANIES and FINANCE

Hilary Barnes profiles Denmark's biggest industrial company East Asiatic's road to recovery

EAST ASIATIC is having to battle hard to shake off the image of a company which has gone into decline. But the Danish group's new top management, which took over in 1980-1981, has gone to work briskly. After a "complete reevaluation of activities," which range from shipping to trading and manufacturing, the knife is being used liberally to cut away unprofitable activities. Other operations are being extensively reorganised.

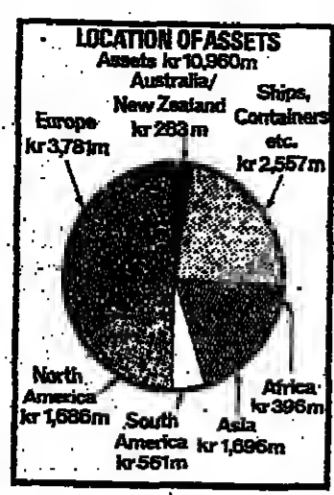


Table with 2 columns: Year and Net Profit (DKr m). Data: 1975 (153), 1976 (249), 1977 (164), 1978 (109), 1979 (195), 1980 (255), 1981 (282). A note indicates * Loss.

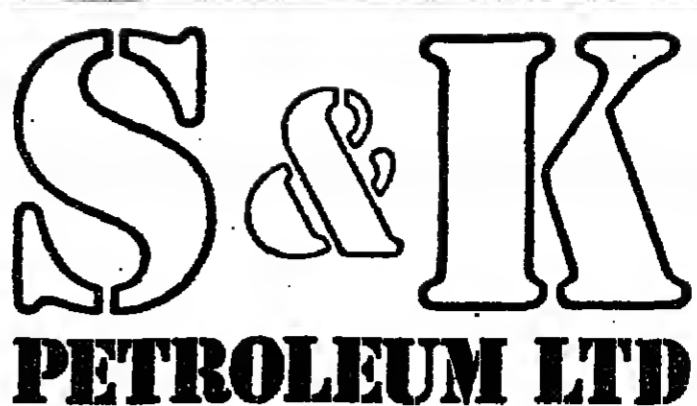
At the same time, recession has bitten deep into operating profits which last year fell from DKr 1.14bn to DKr 815m. The collapse of the U.S. building industry has had a particularly serious effect on the group's Canadian timber subsidiary, Tabris, which sold its 1981 production at half the price it was getting in 1979. Group earnings from plantations and forestry collapsed from DKr 197m to DKr 38m last year.

although the company was not disclosing detailed plans. It intended, however, to hold its hand over major Danish interests, including the Naksoff shipping yard, which lost DKr 26m last year. The company is continuing to expand its industrial and trading interests in the Far East, including a brewery (with Carlsberg) in Hong Kong, a scooter factory and auto components factory in Indonesia, and plantations, industries and trading in Singapore, Malaysia, Thailand, Japan, the Philippines and China.

Tax costs hit profit at Norsk Hydro

By Fay Gjester in Oslo

HEAVIER TAX has reduced 1981 net profits at Norsk Hydro to Nkr 994m (\$180m), against Nkr 1,026m for the previous full 12 months trading period. Sales were 25 per cent ahead at Nkr 17.5bn, and profits before financial charges showed an improvement to Nkr 1.9bn, against Nkr 1.47bn. But Hydro has had to meet a more than doubled tax charge.



PETROLEUM LTD

Revenue for the period from 21st January, 1981, when the Company commenced operations until 31st December, 1981 was US\$3,690,923, largely from interest earned on cash balances. Cash flow from operations was US\$3,325,570 (US\$0.43 per share). Earnings after provision for deferred income taxes were US\$1,571,220 (US\$0.20 per share). There were 7,807,781 shares outstanding during the period.

The Helen No. 1 well which S & K holds 26% before payout (21.25% after payout) has also been completed as in Cotton Valley discovery and will be fraced and tied into the sales pipeline shortly. Two other wells, Henderson No. 1, in which S & K holds 21.6% before payout, and the Adams No. 1 well in which S & K has 4.88% before payout are both nearing completion. Four additional wells are planned on this prospect during 1982.

Sony unit sees annual sales rise of 30%

By Our Financial Staff

SONY ITALIA, the Italian subsidiary of the Japanese group, expects a turnover of 1,000m in the fiscal year ending October 30 and an annual sales increase of 30 per cent in coming years. The estimates by Sony executives came as they launched on the Italian market a pocket television and a digital audio disc which are already successful in Japan.

Creditanstalt plans to increase capital

By Paul Lendvai in Vienna

CREDITANSTALT, Austria's biggest bank, plans to raise its capital to Sch 2.4bn (\$141m) from Sch 1.8bn. Dr Hannes Androsch, managing director, told the annual meeting that the Government, which controls 60 per cent of Creditanstalt, has agreed to take part in the increase. The amount to be raised has not yet been decided.

Dutch electrical engineer offered aid by state

By Charles Batchelor in Amsterdam

THE DUTCH Government yesterday announced a limited aid programme for Holec, the electrical engineering group, but it is not clear whether the company will accept the offer. The Government is ready to provide Fl 12m (\$4.5m) in the form of an interest-free loan to help Holec maintain its large transformer manufacturing activities.

INI to raise \$400m in syndicated bank loans

By Jane Monahan in Madrid

IN THE biggest medium term syndicated peseta loan operation ever in Spain, both in terms of the number of banks involved and the sum, over 100 banks, 16 of them foreign, yesterday agreed to lend the Spanish state holding company, INI, Pta 40bn (\$400m).

Summary of Drilling Results

For the period ended December 31 1981 are as follows

Table with 7 columns: State, Potential Oil Wells, Potential Gas Wells, Suspended or Shut-in, Abandoned, Drilling, Total. Data for Texas, Louisiana, Alabama, and Total.

U.S. \$100,000,000

Allied Irish Banks Limited

Floating Rate Notes 1992 Subordinated as to payment of principal and interest. In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 15th April, 1982 to 15th October, 1982 the Notes will carry an Interest Rate of 15 1/2% per annum.

U.S. \$25,000,000

Bergen Bank A/S

Floating Rate Capital Notes Due 1991. In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 15th April, 1982 to 15th July, 1982 the Notes will carry an Interest Rate of 15 1/2% per annum and the Coupon Amount per U.S. \$1,000 will be U.S. \$39.65.

EUROFIMA advertisement. Includes logo, company name in German, French, and Italian, and details of DM 100,000,000 9% Deutsche Mark Bearer Bonds of 1982/1992. Lists participating banks from various countries.

INTER-AMERICAN DEVELOPMENT BANK advertisement. Includes logo, company name, and details of DM 150,000,000 9% Deutsche Mark Bonds of 1982, due 1992. Lists participating banks from various countries.

All of these Securities having been sold, this announcement appears as a matter of record only.

New Issue / March, 1982

\$150,000,000



Export Development Corporation

(An agent of Her Majesty in right of Canada)

Société pour l'expansion des exportations

(Mandataire de Sa Majesté du chef du Canada)

14 1/2% Notes Due April 1, 1987

Principal and interest payable in U.S. dollars

Salomon Brothers Inc **Wood Gundy Incorporated**
Merrill Lynch White Weld Capital Markets Group **Dominion Securities Ames Inc.**
Merrill Lynch, Pierce, Fenner & Smith Incorporated

- | | | |
|--|---|--|
| Morgan Stanley & Co.
<small>Incorporated</small> | The First Boston Corporation | Goldman, Sachs & Co. |
| Burns Fry and Timmins Inc. | Greenshields & Co Inc | McLeod Young Weir Incorporated |
| Atlantic Capital Corporation | Bache Halsey Stuart Shields
<small>Incorporated</small> | Basle Securities Corporation |
| Bear, Stearns & Co. | Bell Gouinlock Incorporated | Blyth Eastman Paine Webber
<small>Incorporated</small> |
| Dillon, Read & Co. Inc. | Drexel Burnham Lambert
<small>Incorporated</small> | E. F. Hutton & Company Inc. |
| Kidder, Peabody & Co.
<small>Incorporated</small> | Lazard Frères & Co. | Midland Doherty Inc. |
| Nesbitt Thomson Securities, Inc. | | Richardson Securities, Inc. |
| L. F. Rothschild, Unterberg, Towbin | | Shearson/American Express Inc. |
| Smith Barney, Harris Upham & Co.
<small>Incorporated</small> | UBS Securities Inc. | Warburg Paribas Becker
<small>A.G. Banker</small> |
| Wertheim & Co., Inc. | | Dean Witter Reynolds Inc. |
| CIBC Limited | Orion Royal Bank
<small>Limited</small> | Bank of Tokyo International
<small>Limited</small> |
| Banque Nationale de Paris | | Berliner Handels- und Frankfurter Bank |
| Caisse des Dépôts et Consignations | | Dai-ichi Kangyo International
<small>Limited</small> |
| Daiwa Securities America Inc. | EuroPartners Securities Corporation | Robert Fleming
<small>Incorporated</small> |
| Hambros Bank
<small>Limited</small> | The Hong Kong Bank Group | Kleinwort, Benson
<small>Incorporated</small> |
| Kredietbank N.V.
<small>Limited</small> | Samuel Montagu & Co.
<small>Limited</small> | Morgan Grenfell & Co.
<small>Limited</small> |
| The Nikko Securities Co.
<small>International, Inc.</small> | Nomura Securities International, Inc. | Rothschild Inc. |
| Westdeutsche Landesbank Girozentrale | Yamaichi International (America), Inc. | |

Wharf lifts dividend after strong income growth

BY ROBERT COTTRELL IN HONG KONG

HONGKONG and Kowloon Wharf and Godown has boosted 1981 net profits by almost 47 per cent to HK\$83.1m (U.S.\$57m) before extraordinary items, and is forecasting higher profits this year. Extraordinary items of HK\$133.8m brought total attributable profits for 1981 to HK\$465.1m, compared to HK\$438.2m in 1980 which included extraordinary items of HK\$212.4m.

Wharf, which is controlled by Sir Yue Kung Pao's World International (Holdings), has its principal interests in property, hotels, transport, cargo and warehousing.

A final dividend of 11 cents a share makes a total of 15 cents for the year, against an

adjusted 11 cents total in 1980. Earnings per share were 22.7 cents (before extraordinary items) in 1981, against 18.3 cents. The board proposes a one-for-10 scrip issue and expects at least to maintain this year's dividend on the increased capital.

The Wharf board says in its review of the year that investment properties continue to meet rental targets. The apartments, offices, shops and restaurants in phases one and three of Harbour City, Kowloon, are fully let, while phase four is expected to complete at the end of 1983.

The Empress Hotel in Kowloon was sold in the course of the year, as was a partial holding in the group's Singapore

subsidiary Hotel Marco Polo. The 1981 extraordinary profits arise mainly from the Marco Polo share sale and sale of a Boundary Street property.

Former godowns at West Point are being redeveloped in a joint venture with Cheong Kong, Mr Li Ka Shing's property group, while the Silvercord development in Kowloon, where Wharf has a 20 per cent interest, should be completed in the second half of 1982.

Cargo handling and associated facilities are said to have made satisfactory contribution to group profit.

The group says it is keeping "under constant review" investment opportunities in the property sector and elsewhere this year.

Toyota and GM hold more talks on joint venture

By Richard C. Hanson in Tokyo

A GENERAL MOTORS team yesterday began three days of talks with Toyota Motor on the possibility of jointly producing cars in the U.S.

The two giants of the world motor industry revealed early in March that they were discussing the idea. The present talks are being held at Toyota headquarters in Toyota City, near Nagoya.

GM's 10-member team is led by Mr Jack Smith, director of worldwide product planning. The proposal was first discussed in New York between Mr Eiji Toyoda, Toyota's chief executive, and Mr Roger Smith, GM's chairman.

Toyota is not revealing details of this week's talks. The company said only that the two sides would cover the basic problems of how to go about setting up a joint production venture, including any possible violation of U.S. anti-trust laws.

According to various reports, the two companies are considering a car in the 1.5-litre class, presumably to be built at an idle GM plant in the U.S.

Toyota has studied the idea of manufacturing in the U.S. for several years. A similar proposal to begin joint production with Ford Motor Company was abandoned last year after several months of talks.

Toyota appears to be more serious about the possibility of a link with GM.

Renown profits fall 9.6%

By Yoko Shibata in Tokyo

RENOWN, Japan's biggest clothing wholesaler with a strong nationwide sales network, has reported a fall of 9.6 per cent in consolidated net profits in 1981 to ¥7,477bn (\$30m). Consolidated sales were ¥211.29bn (\$856m), down 0.2 per cent from the previous year. Consolidated per share profits were ¥85.98, down from the previous year's ¥95.13.

The decline in earnings was blamed on valuation losses on Renown's European Depositary Receipts share issue caused by fluctuation in exchange rates between the yen and European currencies.

The slight dip in sales was attributed to the transfer of sales of its women's ready-to-wear products to a non-consolidated subsidiary, Renown Look, which is listed on the second section of the Tokyo Stock Exchange.

If sales of Renown Look had been included, consolidated sales of Renown would have risen by 13 per cent from the previous year.

As a result of the transfer to Renown Look, sales of the women's ready-to-wear division declined by 34.6 per cent to account for 27.4 per cent of the total turnover. Men's outerwear sales rose by 22.1 per cent to account for 16.5 per cent of total sales; men's underwear sales rose by 6 per cent to take an 8 per cent share; women's outerwear sales grew by 14.2 per cent to account for 14.4 per cent; women's underwear sales rose by 11.4 per cent to account for 3.6 per cent.

Philippines contractor sees earnings plunge

BY EMBLIA TAGAZA IN MANILA

HIGHER INTEREST charges have caused a precipitous decline in the profits of Construction and Development Corporation of the Philippines, the country's and South-East Asia's largest construction company.

Mr Rodolfo Cuenca CDCP's president, reported that net income last year fell by 82 per cent in 1981 to 21m pesos (US\$2.6m) from 117m pesos in 1980.

The increase in revenues to 3.8bn pesos last year from 2.2bn pesos came mainly from the income of non-construction activities, specifically the disposal of CDCP's remaining landholdings at the Manila-Cavite Road and Reclamation Project (MCRPP), which generated some US\$20m.

CDCP early this year surrendered its turnkey contract for the MCRPP, which entails the reclamation of 2,600 hectares of foreshore land along Manila Bay. Under the turnkey contract with the Philippine Government, CDCP was to own half the reclaimed land as payment for its services. When the company quit the project, about 800 hectares was already reclaimed.

The liquidity squeeze suffered by CDCP early last year also contributed to the profit decline. CDCP and most other big domestic companies faced liquidity problems last year after a financial scandal triggered heavy withdrawals of money from the capital market. The financial market contracted considerably, touching off a scramble for funds by corporate borrowers.

CDCP itself was rescued by the Philippine Government.

Toshiba and Zilog in microchip pact

By Our Tokyo Staff

TOSHIBA Corporation is about to sign a 10-year technology exchange agreement with Zilog, a semiconductor subsidiary of Exxon in the U.S., on microchips and microcomputers.

Under the agreement, Toshiba which has been active in forming such ties with overseas semiconductor makers, will transfer to Zilog the technology for fabrication and processing 16-K bit CMOS static random access memories. Toshiba is particularly strong in the C-metal oxide semiconductor, which are used extensively in consumer electronics goods.

In return, Zilog will design a 16-bit central processing unit microcomputer and license the technology for an 8-bit CPU to Toshiba.

The third link will be for Toshiba to supply Zilog with 16-bit and 8-bit microcomputers for which Toshiba will engineer its CMOS technology.

Sime in biotechnology link with U.S. institute

BY WONG SULONG IN KUALA LUMPUR

SIME DARBY, the Malaysian plantation-based group, is entering the biotechnology business in partnership with International Plant Research Institute of California.

They will set up two joint venture companies to develop and sell their biotechnology to Malaysia and the Asean countries.

Asean Biotechnology Corporation will be based in Kuala Lumpur, and will apply new genetic biotechnologies to the agricultural sector in Malaysia and other Asean nations.

ABC will take over the research programme of Ebor Laboratories, now operated by Sime Darby Plantations.

The second venture, Asean Agro-Industrial Cooperation, will develop, design and in some cases manage and market the products of integrated agro-industrial projects in Asean.

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Hong Kong plans investment disclosure law

BY OUR HONG KONG CORRESPONDENT

LEGISLATION compelling Hong Kong investors to disclose significant stakes in quoted companies could be published in draft form in as little as two months' time, Mr Robert Fell, the Colony's Securities Commissioner, said yesterday.

Mr Fell declined to say what level of shareholding would trigger the proposed obligation. But he would "welcome" disclosure which would require a change in company law.

The difficulty was deciding on a "reasonable" threshold for disclosure which would "mean something in Hong Kong, and

be made to stick in Hong Kong," he said.

Mr Fell, formerly the chief executive of the London Stock Exchange, was addressing a conference on takeovers and mergers organised by the Hong Kong Management Association.

He saw no need for changes in the Hong Kong takeover code "in the foreseeable future" although partial bids remained "a fuzzy area" which might merit "a bit of tidying up." The most important aspect of the takeover code was that it should be seen as "something worthy of respect."

The Securities Commission in Hong Kong worked "with a statutory framework but with the small print, so to speak, to be written in terms of self-regulation." The trick would be to maintain that principle while giving a positive lead to the development of adequate self-regulation, he said.

Call for statutory regulation would "be difficult to resist" if the market failed to regulate through its own institutions.

Mr Alan Smith, head of corporate finance at Jardine Fleming, the merchant bank, played devil's advocate to Mr

Fell, that mandatory bid rules could often be unsound in both principle and practice and were not necessary to a healthy market.

Likewise, encumbering partial bids with regulations was "a restraint on the free marketability of shares."

Advising the Government not to place statutory controls on the Hong Kong markets, Mr Smith said "It was not by the intermeddling of regulators, but by the prudence and energy of its people" that Hong Kong had prospered financially.

This announcement appears as a matter of record only

US\$ 35,832,839
Note Purchase Facility
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Soditic International S.A.
Grindlay Brantts Limited
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Landesbank Rheinland-Pfalz und Saar International S.A.
Den norske Creditbank (Luxembourg) S.A.
Midland and International Banks E.L.C.
Standard Chartered Bank Limited

Co-Managed by

Banco Totta & Aposos
Midlantic National Bank
Societe Generale Bank Limited
Sparebanken Oslo Akershus
Williams & Glyn's Bank Limited

Provided by

Banco Totta & Aposos - London Branch
Banque Internationale de Gestion et de Treasorerie-1867
Christiania Bank Luxembourg S.A.
Grindlay Brantts Limited
International Commercial Bank Limited
Landesbank Rheinland-Pfalz und Saar International S.A.
Midland and International Banks E.L.C.
Midlantic National Bank
Den norske Creditbank (Luxembourg) S.A.
FKBanken International (Luxembourg) S.A.
Slovenburg Overseas Banking Corporation
Societe Generale Bank Limited
Sparebanken Oslo Akershus
Standard Chartered Bank Limited
Williams & Glyn's Bank Limited

Advisor to Costruzioni Aeronautiche Giovanni Agusta S.p.A.
 Finexrop Confirme: S.p.A.

Agent

Grindlay Brantts Limited

Arab Asian Bank e.c.

2nd Floor, Diplomat Tower, P.O. Box 5618, Manama, Bahrain.

Negotiable Floating Rate Non-London Dollar Certificates of Deposit Due April 1985

We hereby certify that the rate of interest payable on the Certificates for the Interest Period beginning on the 15th day of April 1982, is 15 1/2 per cent per annum and the Interest Payment Date relating thereto is the 15th day of October 1982.

European Banking Company Limited
 (Agent Bank)

15th April 1982

The Royal Bank of Scotland Limited

U.S.\$75,000,000 Floating Rate Capital Notes due 1986 to 1994

For the three month period April 14th 1982 to July 14th 1982

The Notes will bear an interest rate of 15 1/2% per annum. Interest payable on July 14th 1982

Bankers Trust Company, London

The Industrial Bank of Japan, Finance Company N.V.

U.S.\$50,000,000

Guaranteed Floating Rate Notes Due 1987

In accordance with the provisions of the Reference Agency Agreement between The Industrial Bank of Japan Finance Company N.V., The Industrial Bank of Japan Limited and Citibank, N.A., dated November 26, 1979, notice is hereby given that the Rate of Interest has been fixed at 15 1/2% p.a., and that the Interest payable on the relevant Interest Payment Date, October 15, 1982, against Coupon No. 6 will be U.S.\$80.03.

April 15, 1982
 By: Citibank, N.A., London, Reference Agent **CITIBANK**

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) NV.

on April 12th 1982, U.S.\$55.86

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson NV, Herengracht 214, 1017 BS Amsterdam.

VONTobel EUROBOOND INDICES

145.76 = 100%

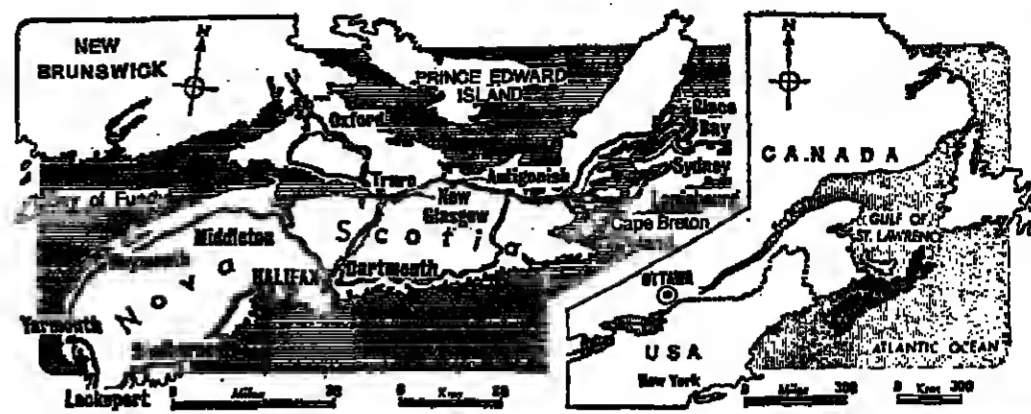
PRICE INDEX	134.82	64.82	AVERAGE YIELD	13.42	6.42
DM Bonds	85.32	84.86	DM Bonds	8.194	8.218
U.S. Bonds & Notes	87.87	88.17	U.S. Bonds & Notes	10.180	10.248
U.S. S. Str. Bonds	87.87	87.77	U.S. S. Str. Bonds	14.221	14.238
Can. Dollar Bonds	89.65	89.75	Can. Dollar Bonds	15.341	15.278

FINANCIAL TIMES SURVEY

Thursday April 15 1982

Nova Scotia

Once one of Canada's richest provinces, Nova Scotia has fallen behind in the prosperity stakes. Most of its traditional industries are struggling in the grip of recession and it has to look elsewhere for sources of growth. One area is energy-related projects—but even here the prospects are uncertain



The big gamble is on energy

By Paul Betts

AN UNUSUAL sight greeted the visitor in Halifax last month. In the middle of one of the world's finest natural harbours lay a large oil tanker laden with oil. It had sat there helplessly for nearly three weeks with a broken rudder.

The problem was quite simply that the rudder could not be fixed until all the oil was pumped off the ship. But although the tanker was directly facing two large refineries lined along one side of the harbour, they, operating well below capacity, wanted to hear nothing of the cargo of crude.

In a nutshell, this is the dilemma facing Nova Scotia. For the past decade this eastern Canadian province—one of the original four members of the confederation and once, back in the last century, one of the richest parts of the country at the forefront of international shipping, lumber and fishing—

has pinned its hopes for prosperity on the prospects of an offshore oil and gas boom. But just when the boom seemed about to explode the international oil market collapsed.

In a sense it is a profound irony that Nova Scotia, whose heavy reliance on imported oil sent it scrambling to develop alternative energy sources after the oil crisis of the early seventies, is now all but stuck because of declining oil prices. The dramatic change in the oil market, compounded by the impact of Canada's controversial national energy policy on the operations and attitudes of the major oil companies, could not have come at a worse time.

It threatens to delay a whole string of what have become known as energy-related megaprojects in the province—not only the \$2bn-plus development of the Sable Island offshore gas field, but, for Nova Scotia at least, an even more important project to build a shipyard geared to advanced heavy industry technology to construct special ice-breaking tankers to carry the oil from the Beaufort Sea through the North West passage all the year round. That project alone would represent about C\$9bn over a 20-year period.

That is not all. Nova Scotia is bidding to become the site of a liquefied natural gas terminal for gas from the Arctic. It is still pushing for the extension of the trans-Canada pipeline to the east coast. It is considering building a C\$22bn (in 1995 dollars) tidal power complex to generate electricity from the tides in the Bay of Fundy. It is

spending C\$2bn to develop its underwater coal mines at its eastern extremity in Cape Breton Island. The list is staggering and the dollar figures bewildering.

But the worst part is not the oil glut alone. While many of the province's megaprojects look threatened, in terms of timing at least, the area has not escaped the recession in North America. It has none the less resisted surprisingly well. But every day that the long-awaited U.S. and in turn Canadian recoveries are postponed as the outlook for Nova Scotia becomes more clouded. Until the middle of last year, because of the diversified nature of the provincial economy, growth was sustained and it seemed for a while that the province was bucking the general trend. But by late autumn the recession also caught up with the province. Growth this year is now expected to be little over one per cent after a peak of 3 to 4 per cent in 1979, the year when Nova Scotia appeared on the brink of an economic miracle of sorts.

Fishing limits

High interest rates and inventory build-ups are taking their toll as they have done everywhere else. The fishing industry, one of the mainstays of the local economy, is suffering—in fact in some sectors bleeding to death. For a time Canada's decision five years ago to extend its fisheries jurisdiction to 200 miles promised a great revival for the local fishing and fish processing in-

dustries. But it did not change the fish cycle or the impact of the U.S. recession, where exports for a short while were sustained by the devalued Canadian dollar. After a year of growing financial problems Nova Scotia's largest—and for that matter the east coast's, too—fishing company, H. B. Nicholson and Sons of North Sydney, was forced to pledge 28 of its deepsea trawlers and future profit against C\$100m in outstanding bank debt.

The forestry and the pulp and paper sectors are struggling. Bankruptcies have been increasing. Manufacturing investment capital and construction has all but dried up. The Sydney steelworks, which is losing about C\$1m a week, is in deepening trouble. Mining, which only last year, with the discovery of a large tin deposit, the first of its kind in North America, appeared on the verge of a great renaissance, has also had its share of setbacks. The oil companies, the major players in the province's mining scene, have been dropping out of the mining business as their profits continue to be squeezed and their capital spending programmes are cut.

But the mood of optimism prevailing in the province in 1979 and early 1980 has not disappeared altogether. There is clearly a good measure of concern about immediate outlook but the province has shown considerable flexibility in meeting both the economic and political challenges it currently faces in the broader Canadian and North American context. Under the pragmatic leader-

ship of the province's Progressive Conservative Premier, Mr John Buchanan, Nova Scotia finally patched up its differences with Ottawa over the management of its offshore resources.

The dispute was one of the biggest obstacles to eventual offshore oil and gas development. But by agreeing to give Ottawa ultimate control of the management of the offshore resources in return for the lion's share of offshore revenues, Premier Buchanan has given the offshore industry a badly needed shot in the arm.

The oil companies regard the agreement as an important breakthrough. One U.S. oilman said it gives Nova Scotia a strong lead over Newfoundland towards becoming the offshore centre for eastern Canada. Although the offshore resources of Newfoundland are at this stage far more valuable—the Hibernia oil field in the Grand Banks off Newfoundland looks as promising as the North Sea—that province is in the midst of a bitter dispute with the federal Government over the issue of ownership of the resources.

Service centre

So far there are only signs of a large commercial find of gas in Nova Scotia's offshore area, although the province is still hopeful of an eventual oil find. But by settling its dispute with the federal Government Nova Scotia hopes to become the service centre for the eventual offshore industry on the Atlantic east coast.

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Nova Scotia has traditionally felt the need to maintain good relations with Ottawa, whatever the colour of the government there. Once the wealthiest part of Canada, when Nova Scotia was known for its "men of iron in ships of wood," it too, like the rest of Atlantic Canada, fell behind the rest of the country. When sail gave way to steam the province's importance as a shipping centre became eroded and gradually, the country's economic centre of gravity started shifting to central Canada and to the west.

Nova Scotia, like the other Atlantic provinces, relies heavily on the centre. Its links with the principal Canadian markets are crucial and this in part explains the political posture of moderation the province adopts towards Ottawa. If there is one thing which frightens the wits out of Nova Scotia, it is the prospect of an independent Quebec. Should this ever occur the province feels it would be cut off overnight from Western Canada, leaving it to overlook the great Atlantic Ocean on the east. Although these fears have subsided after the 1980 Quebec referendum which rejected the idea of sovereignty for the French-speaking province, the anxieties still lurk in Nova Scotia.

Not that Nova Scotia is entirely happy with Ottawa—far from it on certain key issues. Ottawa has already proposed to cut federal support. But perhaps the issue causing the greatest concern at present is the federal Government's stated intention of saving C\$1.5bn over the next five years through a reduction in so-called transfer payments. These form the basis of Canada's policy of equalisation, whereby the richer or "have not" provinces—of which Nova Scotia is one. But the federal Government is also feeling the budgetary pinch and is looking for savings wherever it can find them.

But there is more to it than federal fiscal tightness. The cut-back is as political as it is economic. As Mr James Maniwen, Nova Scotia's Deputy Minister of Development, put it, the Canadian system is currently similar in some respects to the West German *laender* (states) system which gives individual members of the federation authority on the use of federal funds. "We now appear to be moving closer to the U.S. system, whereby the federal Government itself pays for and administers a variety of programmes," he explained. In turn this would not only reduce the provincial government's say in federally funded programmes but undermine provincial power by enhancing a far greater direct federal presence in the province.

Moreover, the threat of a reduction in real terms of transfer payments could not come at a more difficult time. During the last four years the net direct debt accumulated by the province has risen by 256 per cent, or almost C\$800m, bringing the total provincial net direct debt to C\$1.2bn in the 1981-82 fiscal year.

The provincial operating deficit for the fiscal year 1981-1982 is now put at C\$179m compared to an original target of C\$140m, bringing the province's operating deficit for four years to C\$100m.

CONTINUED ON NEXT PAGE

The Action Area of the '80s

What's Happening?

Hydrocarbon Resources
Exploration and development of Nova Scotia's offshore energy fields will gain momentum following the recent agreement between the Canadian and Nova Scotian governments regarding management and revenue sharing. The Scotian Shelf has already produced



proof of the Nova Scotia workforce is stable, productive, responsible, and takes pride in workmanship and product. We have qualified people, enthusiastic people, available people, people eager to learn new skills, and we are where the action is.

Good Business/Good Life
Geographically, we're ideally situated for import and export... and modern transportation systems link our gateway ports with major North American markets. The optimistic business climate encourages innovation and development. Industrial parks, competitive production costs, interesting incentive plans, the satisfying life offered by our cities and towns, the sense of community among our people... these are just some of the factors that make Nova Scotia the action area of the '80s. We invite you to talk with us about opportunities which have already brought important European companies to Nova Scotia.

encouraging discoveries, with 13 wells having significant shows. Supply and service operations are proceeding apace.

Energy Security
Over 60% of our electrical power is now produced from our own natural resources. Extensive coal deposits, together with continuing development of hydro operations and tidal power projects all contribute to our increasing self-sufficiency in electric power generation. And the energy potential of the offshore fields will further strengthen Nova Scotia's control of its energy supply.

Brains/Skills
Nova Scotia is a world class centre of ocean-related research and development. We have seven universities, a technical institute, vocational schools, a research foundation and the internationally renowned Bedford Institute of Oceanography. In addition, we have

VOLVO Rolls on

Volvo has been assembling cars in Nova Scotia since June 1963. Vice-President Gunnar Jennegren, extremely pleased with the location, makes the following comments on the Canadian operation: "Although our main markets are in central Canada, Halifax has proven to be the logical location for our car plant as it



is close to our parent company in Sweden."

"Economical transportation also makes it natural to be in Nova Scotia. We need a regular 'pipeline' service across the Atlantic, and we get it via weekly container ship sailings between Europe and the Port of Halifax. We also take advantage of direct airline flights from both



London and Amsterdam to the Halifax International Airport when we need emergency supplies."

"Volvo Canada Ltd. produces cars for the Canadian market and operates under a trade agreement with the Canadian government whereby if Volvo maintains a certain local content, then components can be imported duty-free.

"Another important advantage of a Nova Scotian location is the available



workforce which has proven to be of high calibre, and which has contributed significantly to Volvo's high quality by low absenteeism and high productivity."

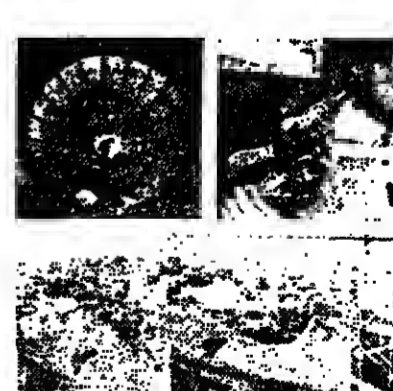
"Volvo is considered one of the main industries in Nova Scotia and will soon be reaching its 20th anniversary as a Canadian automobile manufacturer. The company is frequently used as an example of a successful business that has chosen to locate in Nova Scotia."

In addition to his Volvo responsibilities, Mr. Jennegren is also the Honorary Swedish Consul in Nova Scotia.

Success Stories

IMP Group Limited
A Nova Scotia company comprised of a group of 10 interrelated divisions providing a versatile mix of high technology and basic products and services. Aircraft: manufactures electronic wiring assemblies; provides maintenance, repair, engineering support, charter services. Petroleum: supplies goods and services to the industry. Marine: supplies gear to the inshore and deepsea fishing industry. Metals: manufactures, repairs and modifies metal items. Plastics: makes injection moulded plastic products.

company which is versatile and innovative in metal fabrication, construction, custom machining and manufacturing. Marine: fabricates structures, modules, pressure vessels, mud tanks; repairs and maintains rigs; builds buoys, docks, barges, cat ferries; developed the 'Sea horse'



automated long line system for the fishing industry. Construction: fabricates and erects steel and other metal for bridges and buildings. Steel Mill Centre: Stocks a full range of ferrous and non-ferrous metals and shapes.

Dominion Biologicals Limited
Dominion Biologicals manufactures and markets the world's most complete range of quality immunochemistry reagents. The company develops and produces products which are subjected to exacting scrutiny at every stage of production and have been manufactured and tested to meet rigid specifications. World markets include such countries as Britain, Germany and Switzerland.

HMW Industries Limited
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NOVA SCOTIA

Canada
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Nova Scotia Department of Development
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The Nova Scotia Department of Development is the provincial ministry responsible for economic development in Nova Scotia.

NOVA SCOTIA

The Action Area of the '80s

Now is the time for European business people to investigate and participate in profitable Nova Scotia ventures. As offshore petroleum discoveries add momentum to our industrial and commercial development, we welcome new ideas, new developments, new products. There are new challenges to be met and new rewards to be gained.



Meet Nova Scotia

The interests of the Province of Nova Scotia have long been represented in London by an Agent General. Some European industrialists know of the great potential developing in Atlantic Canada — offshore and onshore. Bringing our Continental neighbours up-to-date is our job, and we are making a special effort in West Germany. We invite you to take advantage of several upcoming events to meet and talk with representatives of Nova Scotia business and government.

Hanover Trade Fair
April 21-28
W. Jaenike, Nova Scotia Agent in West Germany
F. Wera, Director of Marketing, Nova Scotia Department of Development
M. Withers and M. Davison, Industrial Estates Limited
Hall 17 — Stand 4

Investment Seminar
May 11 and 12
Industria — Klub
Elberfelder Strasse 6
Dusseldorf
May 11: 1800/2000 — Agent Ganara's Reception.
May 12: 0930/1400
Seminar on Nova Scotia investment opportunities, introduced and organized by Westdeutsche Landesbank Girozentrale,

To obtain further information and to make known your intention to attend a seminar, please contact the Agent General at the address shown, clearly indicating your company's specialities so that he can arrange for an effective matching of interests and have appropriate information available.

Dusseldorf/Munster. A distinguished panel includes the Minister of Development, Government of Nova Scotia, and other leading government and industrial speakers.

Details can be obtained from:
Mr. Wilhelm A. Jaenike
Am Ruhnstein 10
P.O. Box 230280
D-4300, Essen-Bredeney
Federal Republic of Germany
Telephone: Essen 410031
Telex: 8579732 Jet D

In addition, we are organizing several group meetings in London, including an autumn seminar — Nova Scotia Development Opportunities. Details to be announced.

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NOVA SCOTIA II

Greater diversification is helping to weather the recession

More foreign investment cushions the blows

NOVA SCOTIA'S economy has withstood, for the time being at least, the general recession in North America remarkably well. "We would like to think this is because of good economic management," says Mr. James McNiven, the Province's Deputy Minister for Development. But he quickly adds: "The reason why we haven't been affected as much as other parts of eastern Canada is largely because our economy is more diversified than those of our neighbours."

Another provincial government official puts it this way: "De didn't have as far to fall as, say, an economy like Ontario's, which is heavily reliant on the capital goods sector. But the recession is hurting, and things are likely to get worse if we don't see a general pick-up soon."

Until the latter half of last year the provincial economy appeared to be riding the recession sweeping across Canada and the U.S. real growth was down, but in the circumstances a real growth rate of about 1.5 per cent last year after 2 per cent in 1980 and a peak of between 3 to 4 per cent in 1979 was regarded as acceptable. Present expectations are for another year of 1.5 per cent growth. But, as Mr. Andy Williamson, president of the highly respected Atlantic Provinces Economic Council (Apec), warns: "If the recession persists for much longer we could be talking of a growth rate of around 1 per cent this year."

With few tangible signs, however, of a U.S. economic recovery before the third quarter of this year, and with persistently high interest rates and a continuing build-up in inventory levels, the picture in Nova Scotia is looking bleak. The number of business failures is increasing dramatically. Almost no expansion is taking place in the manufacturing sector. The fishing industry is facing by some accounts its worst crisis since the war. Construction has ground to a virtual halt.

Energy projects

A combination of factors has helped sustain the economy during the past year of deepening recession. They include a number of energy-related megaprojects, offshore oil and gas development and in the manufacturing sector the construction of a third major tyre plant in the province by Michelin of France. At the same time the devaluation of the Canadian dollar against the U.S. dollar has helped sustain many factoring, fishing and pulp and paper exports to the U.S. But should the recession persist, it is not clear whether the Canadian dollar advantage will continue for much longer as Nova Scotia's major customers start cutting back on their own investments.

The provincial economy is also coming under pressure from a variety of other largely external sources. Prospects for a number of major capital projects to be completed over the next decade are beginning to look shaky. At present some \$870m of major development projects have already been ear-

ECONOMIC DATA					
(Year to date)					
	1979	1980	1980-79	1981	1981-80
Labour force ('000)	355	369	2.9	365	-1.1
Employment ('000)	323	336	4.0	328	-2.4
Unemployment ('000)	32	33	3.1	37	12.1
Unemployment (per cent)	9.0	8.5	-2.3	10.2	15.9
Farm income (\$m to Aug)	113	125	10.7	136	9.4
Fish landings (\$m to Sept)	170	153	-9.8	186	21.4
Pulpwood ('000 cu. metres to Aug)	1,990	2,048	2.9	2,120	2.5
Lumber (m bd. ft. to Aug)	139	127	-8.7	135	-1.8
Coal ('000 tonnes to Aug)	1,567	1,859	18.6	1,864	-0.8
Mfg shipments (\$m to July)	1,808	2,011	11.3	2,133	6.1
Laden exports (\$m to June)	446	532	19.4	607	14.0
Construction (\$m to Dec)	1,079.5	1,202.0*	11.3	1,532.5†	27.7
Housing starts (No. to Sept)	2,008	1,210	-39.7	1,501	24.0
Personal income per capita (\$†)	7,142	7,845	9.8	8,360	12.9
Retail spending (\$m)	1,627	1,673	2.8	1,848	10.5
Retail price index (at Oct 1971=100)	191.7	214.5	11.9	229.0	11.4

*Provisional †Estimate.
Source: Statistics Canada Publications.

marked for the Atlantic provinces of Canada as a whole. Of this Nova Scotia's share totals about \$12.5bn with \$2.3bn to be spent in the next two to three years. More projects involving billions of dollars are also scheduled further down the road. But the recession has put a big question mark on the timing of all these major ventures; which, in turn, would have a tremendous impact on the provincial economy in terms of the projects themselves and the significant economic spin-offs they would generate.

In recent years Nova Scotia has not only pushed for major energy investments—in part to reduce the province's dependence on imported oil—but has also made a very big effort to encourage the development of diverse and specialised manufacturing industries so as to create a stable long-term economic base and promote badly needed employment in an area where real unemployment averages about 10 per cent—

with peaks of up to 15 per cent in some parts of the province like Cape Breton Island at the eastern end. It has sought to attract new manufacturing industries—for example in an ambitious programme to transform the province into a major marine science and technology centre—to offset the decline of some of its older and increasingly troubled industries, in particular the financially plagued Sydney steelworks and the Hawker Siddeley Trenton steelworks, which manufacture railway wagons.

But it has had little help from federal Canada itself. Instead it has continued to see the country's economic centre of gravity shift westwards, moving its major markets further away from its industries. Even

Halifax Harbour, one of the world's finest and strategically placed to act as the eastern gateway of Canada, has been feeling the pinch. Last year, Dart Container Lines decided to shift its operations from Halifax to Montreal. This decision alone, which Nova Scotia is currently fighting, wiped out about 5 per cent of the port's container business.

With little support from Canada, Nova Scotia has turned heavily to foreign investment. Indeed virtually all the recent new manufacturing investment in the province has come from abroad. At times, as in the case of the Michelin tyre venture, the province has bent backwards to attract foreign investors.

Michelin plant

The policy has been successful. It hides the Michelin operation, whose three plants will soon be employing more than 6,000, making it the single largest employer east of Montreal followed by the coal mines in Cape Breton. Sweden's Volvo has set up an assembly operation in Halifax. The large multinational pulp and paper companies have moved in, and a fair number of smaller investments have been made by other foreign groups, especially in the offshore, marine and energy-related service sector.

But the foreign investors are now beginning to be concerned about Ottawa's commitment to Canadianisation—not only the oil companies, which clearly see themselves as the prime target, but also other concerns in a variety of manufacturing or other natural resource sectors. The province, which has traditionally sought to maintain as good relations as possible with the federal government and has on several occasions demonstrated a willingness to compromise while other provinces have dug their heels in, is clearly worried by federal government attitudes and the impact of national policies on existing and future foreign investment.

"We recognise that foreign investment has played a very large role in the development of Nova Scotia. Some would say that foreign investment has done more for the province than Canadian investment. When you see the Michelins, the Volvos, you may well ask where are all the Canadians," says Mr. McNiven.

He does not dispute Ottawa's

broad policies. "You won't find many people in Canada disagreeing with the idea of giving the country greater control over the economy. The problem is one of method. The Government has been unnecessarily discouraging to outside companies. The problem is that the federal government opted for a process which was cumbersome to say the least, heavy-handed, bureaucratic and discouraging. It has managed to scare people away."

Nova Scotia itself stresses that it remains open to foreign investment and is actively encouraging it. At a time when the province is also worried about the possibilities of a sharp reduction in so-called federal transfer payments—the subsidies Nova Scotia receives as a "have not" province and accounting for as much as 41.5 per cent of provincial expenditure—it is clearly continuing to pin its hopes on encouraging foreign capital and investment to flow into the area. For this reason the province at times appears at odds with the federal government which now wants to keep the extent of foreign ownership in check.

For the province this is all the more important at a time when offshore investment in the past 12 months appears to have slowed down. "In the energy sector we have been seeking to develop many different sources. We don't want to have all the eggs in one basket. We have thus been trying a number of possible solutions," says the Deputy Development Minister. "But we are also trying to do the same thing with other sectors of our economy. Energy is not a panacea. We have a gas field and that's that. Offshore exploration is indeed a stimulus but we can't simply sit back and wait for the dollars to roll in."

Nova Scotia is thus committed to a major thrust to increase its manufacturing investment and employment as well as its services industries. As in the case of energy, growth in manufacturing is now at the mercy of a host of external factors. So long as interest rates remain high and the U.S. economic engine persists in stalling, the immediate future for the province will remain in the balance.

Paul Betts

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The big gamble

CONTINUED FROM PREVIOUS PAGE

These figures will inevitably put further strain on provincial capital spending programmes at a time when federal funds are also under pressure. Nonetheless, although the 1982-83 provincial budget could contain some unpleasant surprises for Nova Scotians, the provincial government shows no intention to slow down its broad development and growth strategy.

It has, in the recent past, been remarkably successful in attracting foreign investment to the provinces at a time when the impression outside is that Canada is closing its doors to foreign investment. Nova Scotia is maintaining a wide open-door policy. It is not at odds with Ottawa's intentions of seeking to give the country greater control over its economy. It merely questions the method Ottawa has adopted in pursuing this policy of Canadianisation.

It feels Ottawa has succeeded in scaring off many potential investors and many existing foreign ventures. It also recognises that foreign investment has played a major role in the recent economic development of the province. After all, the biggest single new investment in Nova Scotia—with the possible exception of some energy-related projects—has been made by the Michelin tyre company of France. Michelin has already built two plants in the province and is about to complete a third, making it the largest employer in Nova Scotia.

The future role of new manufacturing investment is a central part in the province's broad development strategy. Despite all the headlines it does not

want to rely entirely on energy megaprojects to assure growth.

It is promoting the creation of a wide network of small and medium industries as well as large. The fact is that Nova Scotia is extremely fragmented. Halifax today looks like a growing metropolitan centre, a banking and service centre for eastern Canada with an international airport, modern hotels, a favoured harbour and its fair share of skyscrapers clustered in the downtown area by the port—the prestige symbol of any North American city. But there are also pockets of poverty where real unemployment is in the 15 per cent range, areas of maturing and archaic industries and a vast number of small centres with populations of about 5,000, many of whom have to scratch a living off fish, the land or from seasonal employment.

But ultimately the big gamble is on energy. The province's spirits have recently been raised by renewed offshore activity. Mobil is moving a giant jack up in the Sabie Island area to continue drilling. Shell Canada is returning to the Scotian Shelf after a five-year absence. Other oil companies are re-assessing the offshore potential of the province. Coal mining on Cape Breton is also looking increasingly bright. All the other mega-dollar energy projects are all there—if still lurking in the background. All the pieces may yet fall in place. But right now the whole scenario, which Nova Scotia has been painstakingly building during the past decade, looks a little shaky.

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NOVA SCOTIA III

The state boasts two projects of unparalleled scale. Paul Betts discusses their viability

Power from the giant tides of Fundy

THERE IS nothing very new about tidal power. They were using it in the parish of Woodbridge, near Ipswich, 700 years ago to turn the wheels of a grinding mill. For that matter the early settlers in Nova Scotia in the spring of 1607 built a grist mill to grind grain taking advantage of the remarkable tides of the Bay of Fundy, the highest recorded tides in the world, which fluctuate by as much as 16 metres with incredible regularity.

In more recent times the French in 1966 completed a 240 MW tidal power plant at La Rance in the Rance estuary near St Malo. The Russians have completed a small experimental tidal power plant at Kislaya Guba on the White Sea. But Nova Scotia, with the support of the federal Government, is now contemplating a tidal project of unprecedented magnitude—the construction of a C\$22bn 4,864 MW tidal power station in the Bay of Fundy. It will be the first of its kind in North America and, in terms of sheer size, in the world.

Nova Scotia, through the Tidal Power Corporation, is already near to completing a C\$45m pilot project—the money includes C\$25m of federal funds—at Annapolis Royal on the lower reaches of the Annapolis River where it flows into the Bay of Fundy. It has now selected a site, further up the

bay in the Minas Basin to take the main project and the tidal power corporation has just submitted its latest updated report on the feasibility of the venture. The pilot project is scheduled to come on stream in the spring of next year. It will have an output of 20 MW. Work is already at an advanced stage and Mr Dick DeLory, who has been in charge of the project for the past seven years, is confident it will go on stream without any hitches. As for the much larger and ambitious project, he claims it is perfectly feasible. "The question is money."

The tides in the Bay of Fundy, that huge expanse of water stretching out between Nova Scotia on one side and New Brunswick and New England on the other, have been studied on repeated occasions this century. In 1966 to 1969 the Canadian Government, Nova Scotia and New Brunswick undertook an extensive joint study which at the time concluded that tidal power in the bay was uneconomical. With the oil crisis of the seventies this view changed. The three governments again agreed to reassess the economic feasibility of developing tidal power. In 1977 they concluded the project was worth looking into and the pilot programme was launched.

The idea then was that the energy generated from tidal power would eventually serve

predominantly the Maritime Provinces, which rely heavily on imported oil. But the latest updated review on the overall tidal development programme has reached a different conclusion. "Export markets," the new report says, "are the key to the economic strategy for tidal power. The absorption capacity of the Maritimes for tidal energy is limited. New York and New England could absorb all the surplus energy produced." In other words New England and New York would each absorb 45 per cent of the power generated and the Atlantic Provinces the 10 per cent balance.

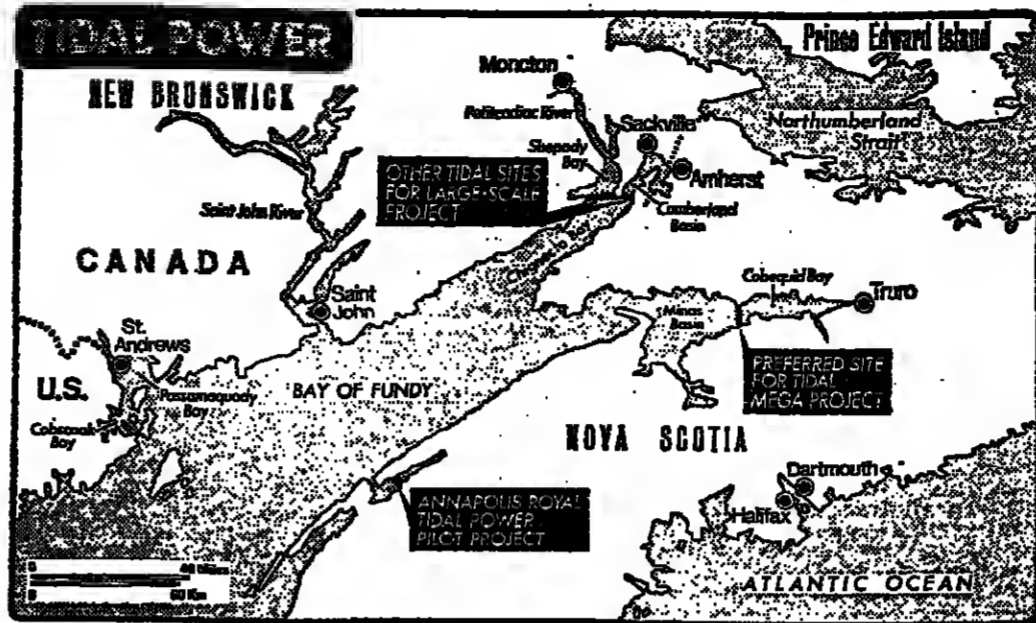
The Canadians have already held preliminary and extremely tentative discussions with the New England and New York power authorities. But it is already clear that unless major export contracts are negotiated, the future of this megawatt project is doomed.

The findings of the latest study put it this way: "Iron-clad contracts for the sale of output would be required as security for debt; therefore long-term irrevocable export permits (or a treaty) would be a necessary condition for financing."

Partnership

The pilot project uses a Swiss-designed straflo turbine. This is basically a propeller turbine which is currently being manufactured in Montreal by Dominion Bridge-Sulzer, a recently formed partnership between the Canadian company and the Swiss Sulzer group, which clearly intends to use the venture to enhance its presence in the American hydro market. The propeller for the project is very big, with a diameter of 7.6 metres. Unlike similar hydro systems used in rivers, the turbine and generator are integrated in the pilot project. The generator's rotor is in fact mounted on the tips of the giant turbine's blades. This makes the system more compact, and reduces the costs of powerhouse construction.

Similar turbine-generators may be used for the megaproject. But the latest report—which puts the cost of the venture at C\$22bn in 1981 and at between C\$22bn and C\$25bn in 1995—says that the



choice of turbine is being kept open.

In any event the Bay of Fundy planners are proposing to use as many as 128 turbines for their megaproject which they hope will be constructed around 1995. These giant contraptions would be contained in caissons—enormous concrete shells as high as a small skyscraper—which would be placed in line half-way across the five-mile stretch between the banks of the Minas Basin. The sluice gates would be erected on the other half, completing the barrage across the basin. The gates would open to let the tide in and then close again to let the water through the caissons where the propellers would generate the power.

The tidal project, which to some extent could also draw from the recent experiences of Atlantic Coast offshore drilling, fits in neatly with the Nova Scotian dream of building up a huge mixed energy pool from its varied resources, including the promise of offshore gas and a great abundance of coal. But like the province's other megadollar energy projects the question now is whether a tidal power scheme involving such great costs is practical in current economic conditions.

In the long term the conclusions of the latest study of the project suggest that tidal power

is economically viable and financially feasible. Additionally, the project would provide large economic spin-offs from industrial development including infrastructure, the need for a turbine manufacturing facility and service centre, on-site caisson production, road work, shipping and other related activities.

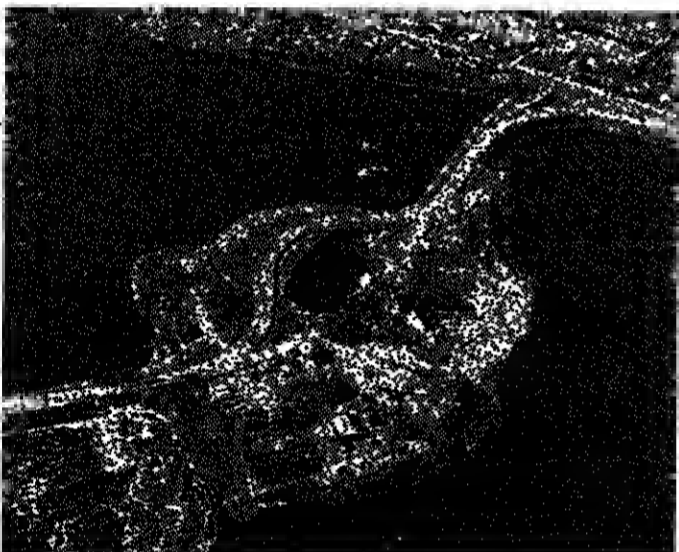
Money is not the only problem. Although Mr DeLory believes that the scheme would have little impact on the unusual tidal environment of the Bay of Fundy, he acknowledges there is concern and that more research will be needed. The latest report on the project also recommends further examination of the environmental impact of the proposed project. Although the report claims that on balance the plant "would be unlikely to produce deleterious effects of prohibitive magnitude," many questions remain unanswered.

What will be the effects of this mega-tidal power development on climate, marine life, and on the enormous amounts of silt that are constantly being moved by the tides? Some have even suggested that Boston's Logan airport could be flooded by the rebound effect of changing the tidal range in the Bay of Fundy.

Research has now established that the project would not dramatically increase the tidal

flood level farther down the coast and would pose no threat to Logos. Worries about a possible major build-up of silt around the dam have also subsided but not disappeared altogether. Concern abounds too over the possible impact on the area's biological life. Many do not want to see the errors repeated in Fundy of Egypt's Aswan Dam, whose construction severely reduced the productivity of fish stocks from the Nile Delta to the coast of Israel. And Fundy plays host to one of nature's most remarkable creatures.

Every year a small bird, the semipalmated sandpiper, one of 15 species of sandpipers that make up the teeming seabird population of Fundy, stops over on its 3,500-mile journey from the arctic to South America to feed on a tiny crustacean which lives in the red mudflats of the bay. The birds arrive in millions to spend six weeks in the summer guzzling on the crustacean, a shrimp-like creature found in North America only in Fundy but known to exist in Europe. During their sojourn the birds accumulate body fat and energy before flying on 2,000 miles for 80 hours non-stop to complete their journey to Venezuela or Guyana. Should the crustacean disappear this extraordinary migration would most probably be rudely interrupted.



Stage of construction last February of the Annapolis Royal pilot project

Shipping oil through the Arctic ice

THE SHIPYARD is more important to us than bringing the venture offshore gas field on stream," says Mr James McNiven, the province's Deputy Minister for Development, without the slightest hesitation. He is referring to one of those so-called megadollar energy-related projects which have recently become buzzwords in the Canadian energy scene.

The shipyard project is exceedingly ambitious. Dome Petroleum, the country's largest Canadian but not government-owned exploration company, wants to build a yard to construct a fleet of special ice-breaking tankers to move the oil from its Beaufort Sea reserves through the North West passage all the year round. The shipyard alone will cost well over C\$300m. The fleet of between 25 and 29 tankers to be built over the next 20 years will represent an investment of about C\$8bn.

Each ship is intended to be a 200,000-tonne oil tanker constructed as a Class 10 ice-breaker, enabling it to move through ice ten-feet thick of the worst possible kind for 356 days of the year. No shipyard in the world has ever built such ships, which will contain as much as 65,000 tonnes of steel in their hull alone.

So far, however, Dome has not made a final decision on where it will build the ships. It has been considering sites in British Columbia on the west and Nova Scotia on the east but the consensus is that the Atlantic Coast province will be chosen.

Dome has already looked at three possible sites in the province, including Halifax, Sydney on Cape Breton Island and a site in the Straits of Canso, the waterway which divides Cape Breton from the mainland. Although Cape Breton and Halifax are both competing fiercely for the yard, the project clearly transcends local provincial interests as it would represent a dramatic economic shot in the arm for the entire province.

"If the yard is built in Nova Scotia it would add 10 per cent to the area's gross provincial product of about C\$8bn directly and indirectly," one official claimed. "It would put Nova Scotia in the forefront of heavy industrial technology as this would be an advanced yard using all the new computer-aided design and manufacturing technologies," adds Mr McNiven.

Moreover, unlike the Venture offshore gas field, whose construction phases would take about two to three years to

complete using technologies already available in the North Sea, the yard will sustain new employment for an extended period of 20 years or more. "It is critical for our future. It would really put us on the map. And if you exclude the eventual benefits from offshore gas revenues, the shipyard project is much more significant for us. If I had to choose between the two I would choose without question the yard," the Deputy Development Minister remarked.

But although Nova Scotia appears to have won the race with British Columbia, there are growing doubts whether the shipyard will be built as early as the province hopes. Indeed the worst pessimists suggest that the project could be indefinitely delayed, and that the best that Nova Scotia can hope for at present is to be officially selected as the preferred site when—if at all—Dome decides to go ahead.

Familiar

The problem is an increasingly familiar one. Simply stated, the price of oil is going down, the cost of exploration in frontier areas like the Beaufort Sea is continuing to climb and the oil companies are beginning to be strapped for cash. The question is whether the new frontier oil and the cost of extracting and transporting remain viable when spot market prices have declined and appear to be continuing to decline.

Moreover, Dome has been particularly affected by the dramatic change in the oil market. In recent months it has been putting together all the cards through, among other things, the controversial acquisition of Hudson's Bay Oil and Gas Company, its transformation into a dominant player in the Canadian energy game and indeed among the major oil confraternities. But with the fall in oil prices and the changing perceptions of the future oil market, the floor appears to be slipping under Dome's feet. The performance of its stock, currently trading at a meagre C\$7 or just over, tells the whole story.

At the same time Dome has also accumulated in excess of C\$5bn at the end of December. In the process of building itself up into a dominant Canadian oil company, with its enormous debt load, continuing high interest rates and a flat oil market, the pertinent question is whether Dome will in these circumstances still go ahead in the immediate future with its megadollar shipyard project.

A decision on the start date of the project was supposed to have been made last November but the timing has continued to slip as a result of a combination of circumstances including political and financial considerations and, not least, the fact that Dome has yet to come up with sufficient proved reserves in the Beaufort Sea to justify a large fleet of tankers, let alone a shipyard. The feeling in Nova Scotia oil and gas circles is that Dome has put everything on hold until the summer.

Although there are no precise estimates of the Beaufort Sea reserves, some people are suggesting that large amounts of oil are indeed there and that time should not be wasted by further delaying the shipyard project. The decision to build a shipyard rather than consider moving the oil by pipeline has also won general approval. "With a shipyard you have incremental costs. As the field is developed the ships (each would take about a year and a half to build) would become available. With a pipeline the upfront costs are very high," Mr McNiven explains. "The ships will also bring the oil to the east coast where it is needed. By pipeline it would go to Alberta where it is not needed," he adds.

While current expectations are for the first ship to be built in 1984 (that is if there are no further delays), Dome is also considering another megaproject with important economic implications for Nova Scotia. Dome, together with Petro-Canada, the Canadian Government-owned oil company, Nova Corporation, Melville Shipping and TransCanada Pipelines, Dome is currently working on a so-called Arctic pilot project designed to bring natural gas from Melville Island in the North West Territories to lower Canada.

The C\$2bn project has a target to deliver about 225m cubic ft of gas a day to southern Canada by using two LNG Class 7 ice-breaking tankers. Making about 15 trips each a year the tankers will bring the liquefied gas to a terminal to be sited either at Gros Cacoua in Quebec or at Melford Point on the Straits of Canso. Not surprisingly the Government of Nova Scotia is lobbying furiously to have the LNG receiving terminal built at Melford Point, since it would represent about C\$165m in expenditure, take four years to build and create much-needed employment in the Cape Breton area.

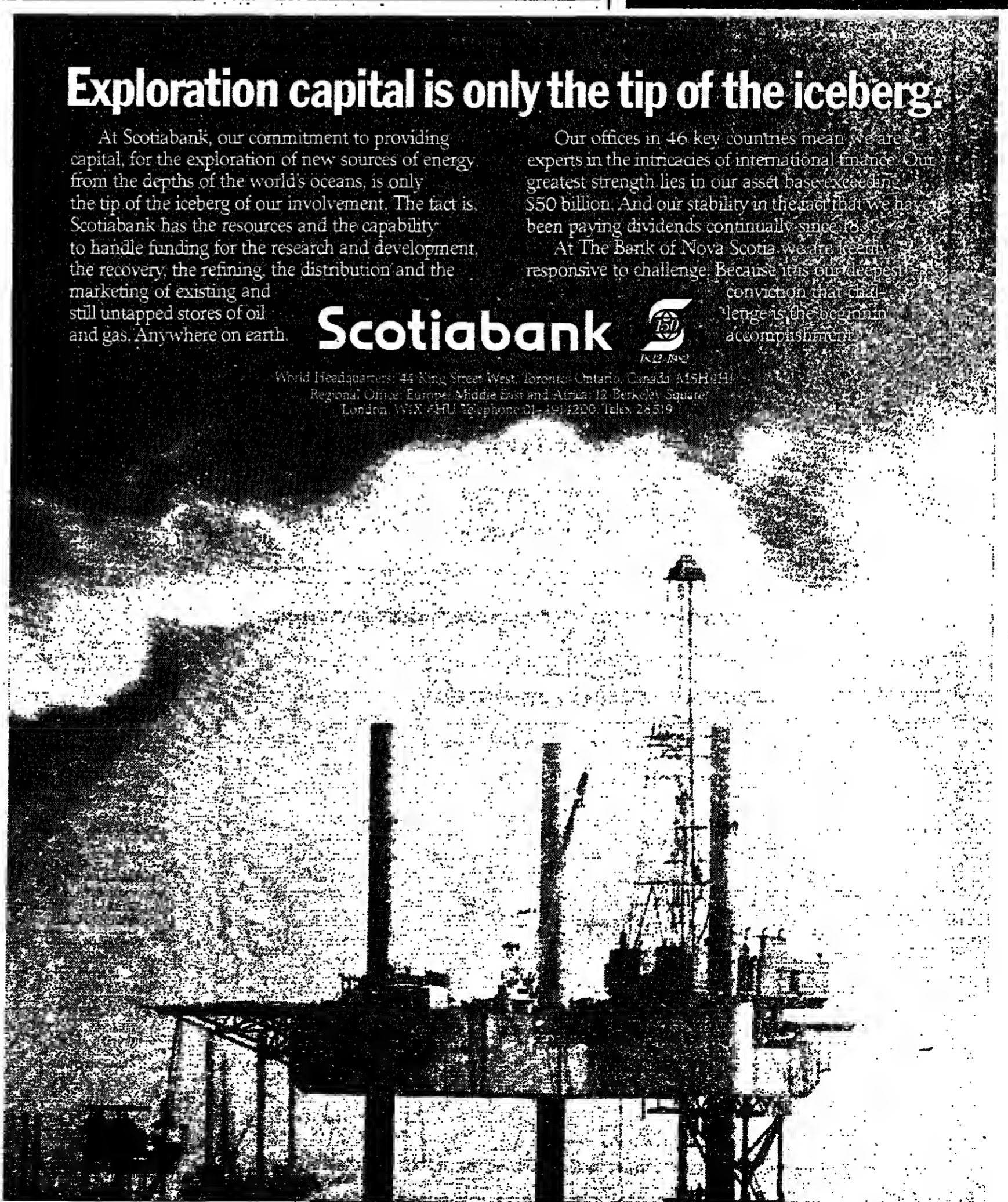
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NOVA SCOTIA IV

Offshore exploration is a big talking point—but drilling has yet to strike it rich

The bonanza that is still a dream

IN THE many taverns and other meeting places in Halifax the conversation these days inevitably winds up on the subject of offshore oil and gas exploration. For the past ten years Nova Scotia has been keeping its fingers crossed that out in the Atlantic in the Scotian Shelf lies a wealth of oil and gas. The province, a traditional "have not" province in the Canadian sense, has been betting on offshore exploration and development for its future prosperity. It has also used the prospects of oil and gas as a bait to lure related investments and capital into the area.

But so far oil and gas remain but a dream. The pub conversations invariably end with someone asking for the latest rumours about the search for oil and gas. "Have they really established three trillion cubic feet of gas reserves so that they

can start thinking of commercial production? Is it true the prospects for oil are disappointing? When is the great rush going to begin?" The answer to all those questions is that the outlook is still uncertain. Nobody can say with any degree of certainty, despite all the propaganda and wordy speculation by certain local vested interests, what the future holds in store for Nova Scotia in terms of offshore development.

Indeed the picture started to look pretty bad about a year ago—quenching the mounting excitement that Nova Scotia was at last on the brink of a great offshore oil and gas bonanza. Activity in the Scotian Shelf was petering out; the oil companies began to send out uncomfortable signals.

Canada's national energy policy—designed to place the country's vast natural resources under Canadian ownership by

the end of the decade—and the developing international oil glut were putting the squeeze on exploration. The Nova Scotian dream, until a month or so ago, was fast fading.

Mr John Currie, whose company Internav on Cape Breton manufactures and designs radio-electronic aids for navigation, says: "We are now seeing more offshore activity than last summer. But it is quite fair to say that the offshore industry is taking much longer to come than we had hoped."

Uncertainties

Since March the offshore outlook has improved, although many uncertainties still linger on. After a five year absence Shell Canada is returning to the Scotian Shelf and plans to bring a drilling rig into the area sometime in September or October. It has also made a

commitment to drill six wells over a two-year period.

In March Mobil reported successful testing of a third well in its Venture Field seven miles east of Sable Island, which lies in the Atlantic off the eastern extremity of the province. The company indicated there was a commercial find of gas and a high liquid content of condensates in the Venture structure. It is now planning further tests in the Venture structure and is moving into the area the Zapata Scotian, the world's largest jack-up which is designed to work the shallow water around Sable Island and has the capacity of drilling and completing holes to 18,000 feet.

Other major oil companies are reassessing the Scotian Shelf in the light of this renewed activity. But perhaps the biggest boost of all for the province's offshore

prospects came with the signing last month, after years of faltering negotiations, of a landmark agreement between the federal Government and Nova Scotia settling a dispute on the management of the province's offshore resource.

The issue—a similar dispute between Ottawa and Newfoundland has yet to be resolved—had long been seen as a major obstacle to large-scale offshore development. Nova Scotia was claiming the right to manage and own its offshore resources. The federal Government strongly disputed these rights. But unlike Mr Brian Peckford, the Newfoundland Premier, Mr John Buchanan, Nova Scotia's Premier, adopted a more pragmatic approach. After all, if he had not settled the dispute with Ottawa, the chances of offshore development would have receded even further.

As one American oilman put it: "Nova Scotia is now getting a good jump on Newfoundland. It is getting ahead in the race to become a centre for the Atlantic Coast offshore industry." The oil companies have also been encouraged because the settlement has been structured over a 42-year period.

Under the terms of the agreement the major share of eventual offshore revenues will go to Nova Scotia, at least until the province becomes a "have province" in the context of Canadian equalisation policies whereby the richer provinces support the poorer. At that time the revenues will increasingly be shared with Ottawa. In return for the lion's share of revenues Nova Scotia has agreed to give the federal Government ultimate authority for the management of the resources.



But the pact, which will also see the federal Government advance the province C\$200m between 1984 and 1987 to support offshore development, steers clear of the thorny question of who technically owns the offshore resources. While this has been the main obstacle in the Ottawa-Newfoundland dispute, it is regarded as largely academic in Nova Scotia. As one official remarked: "The real nuts and bolts is who gets the revenues."

But the oil companies—especially the big U.S. groups like Mobil with a major stake in the Canadian Atlantic Offshore play—are not altogether happy with the agreement. While they regard it as a step in the right direction, they none the less are quick to point out that the settlement leaves out the most crucial issue of all. This is the precise definition of the price Nova Scotia offshore gas will fetch. All the agreement says is that oil company development costs will be assured and that the companies

can expect a fair rate of return. This is clearly not good enough for the international oil companies. Mobil estimates it will cost more than \$2.5bn to develop the entire Venture offshore programme. Moreover, the oil companies continue to view every move by Ottawa with the deepest suspicion, the feeling being that the Federal Government ultimately wants to push them out and take over—or at least "Canadianise"—their holdings.

At the same time Canada is awash with gas and has more than it needs for its own internal consumption. Government-controlled prices also mean that Canadian prices are still below world market prices. Although Canada is moving gradually to align its prices with the world market, in the current depressed international oil climate this is a further disincentive to explore and develop in expensive frontier areas.

is the key to us," one U.S. oil executive said. "We've been telling them this all the time." As for the Nova Scotia offshore gas, the oil companies would like to see most of it go across the border to fetch U.S. prices, leaving the province with all the gas it requires for its own consumption. Again although the costs of developing Sable Island, where conditions are roughly similar to those in the southern part of the North Sea, are by no means as daunting as those estimated for the development of the oil resources in the Grand Banks off Newfoundland, they are still very substantial. In any event the Scotian gas reserves, at this time at least, are generally perceived as being less valuable than the large reserves of oil known to lie in the Grand Banks. "After all, we are so far talking about a possible big gas find. There may well be oil but so far oil has not been found and oil is the real name of the game," one oilman said.

P. B.

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Forestry a troubled mainstay

SINCE THE days when Nova Scotia's extensive timberlands supplied masts for ships of the Royal Navy, forestry has been the province's single most important resource industry.

With four pulp, newsprint and hardboard mills and 250 sawmills, the forest products industry generates about C\$800m annually in direct and added value. Directly and indirectly it employs 34,000 people and its tangential effect touches everything from manufacturing to tourism.

Other industries in recent years have helped broaden the province's economic base but without forestry Nova Scotia would today be like a broom without a handle. Not that this sector generally rates much attention. Apart from a chorus of protests any time the industry advocates the use of chemical pesticides to combat tree-raiding insects, forestry is taken for granted.

It is ill-founded complacency, however, because the industry is in serious trouble. Sawmills are beset by the deepest market recession in 30 years, trees in half of the province are either dead or dying because of insect damage and the industry as a whole faces long-term structural problems in adjusting to new areas of lower priced competition in North America.

So serious are these problems that the government recently announced a Royal Commission to enquire into all aspects of the industry. It is expected to begin its work in July.

While the pulp, paper and board producers, as the biggest users, face the most serious long-term problems, the sector in greatest immediate difficulty is lumbering.

Encouraged by federal development aid the sawmill industry embarked on a major modernisation programme five years ago. Many of the 40 or so larger mills which invested in new plant and equipment are now facing severe financial difficulties as a result of high interest rates and a drying up of the important European lumber market.

Domestic needs are helping to sustain some but production has fallen from 200m board feet to less than 125m. Many of the smaller older mills, without significant debt, have simply closed down. But they are used to periods of economic hibernation.

The two biggest lumber producers, Scott Maritimes and Bowater Mersey, had forward orders into the spring but provincial officials say they see no sign of any real market improvement until at least half the year. One new mill at New Germany has gone out of business and others are only remaining alive through the goodwill of their bankers.

Britain has traditionally been Nova Scotia's primary lumber export market. But from the producers point of view it now presents a very depressing picture. Not only has demand fallen appreciably; so have prices. The cheaper pound has also reduced the competitiveness of Canadian lumber, particularly as Sweden, a major rival, has devalued its currency.

Compounding its other difficulties has been a deterioration in what had until recently been excellent lumber shipping arrangements from Nova Scotia. Ro-ro ship operators calling at

the Halterm container terminal at Halifax actively sought lumber cargoes at attractive shipping rates. These rates have increased substantially, however, and the lines have refused to reduce them despite the loss of much of the trade and under-booked sailings.

Reverted

To counter high shipping rates lumber companies have reverted to the former practice of using smaller tramp vessels calling at such traditional lumber ports as Parbro, It is no longer possible, however, for producers to take advantage of the fast service offered by the big ro-ro ships in order to respond to spot requests for specialised or small lot lumber deliveries.

Having largely bucked the general economic trend by being busy throughout most of 1981, the province's pulp and paper sector has begun to experience a slowdown. Nova Scotia Forest Industries (NSFI), a Stora Kopparberg company, closed its newsprint line for two weeks recently and other producers are anticipating operating at only between 75 and 80 per cent of capacity this year compared with about 90 per cent in 1981.

Strong demand last year, which helped maintain employment for loggers at a time of reduced lumber demand, was

somewhat artificial as customers were building up inventories in anticipation of possible labour disruptions during industry-wide contract bargaining this year.

Negotiations at NSFI will take place against a background of considerable uncertainty about the mill's future. Located on the Strait of Canso, the large modern plant is faced with the most serious of the wood supply problems resulting from the defoliating ravages of the spruce budworm.

"What has happened is pretty much as we feared and predicted," says Mr John Dickey, chairman of NSFI. "We are definitely going to be faced with a very real wood supply problem in one-and-a-half to two years' time. We are already experiencing some quality problems as a result of the large proportion of dead and damaged wood that we have to use in our pulp mill. We cannot use it in the newsprint line."

As the company cannot scale down its production to balance available wood supply, Mr Dickey says it now becomes a most important question it will have to answer will be spraying. "The commission has got to struggle with the question of protection. Either we protect our forests or we forget about the industry."

The answer probably lies in NSFI moving towards a greater

use of hardwoods as well as expanding its purchasing area for softwoods further into the mainland territory supporting other plants. In western Nova Scotia, the area of the Bowater Mersey mill and the Muskeg Canada hardwood plant, there is a current surplus of wood. But competition from NSFI there is bound to raise the price of pulpwood substantially. This will be the more so if the budworm infestation continues to shift south and westward.

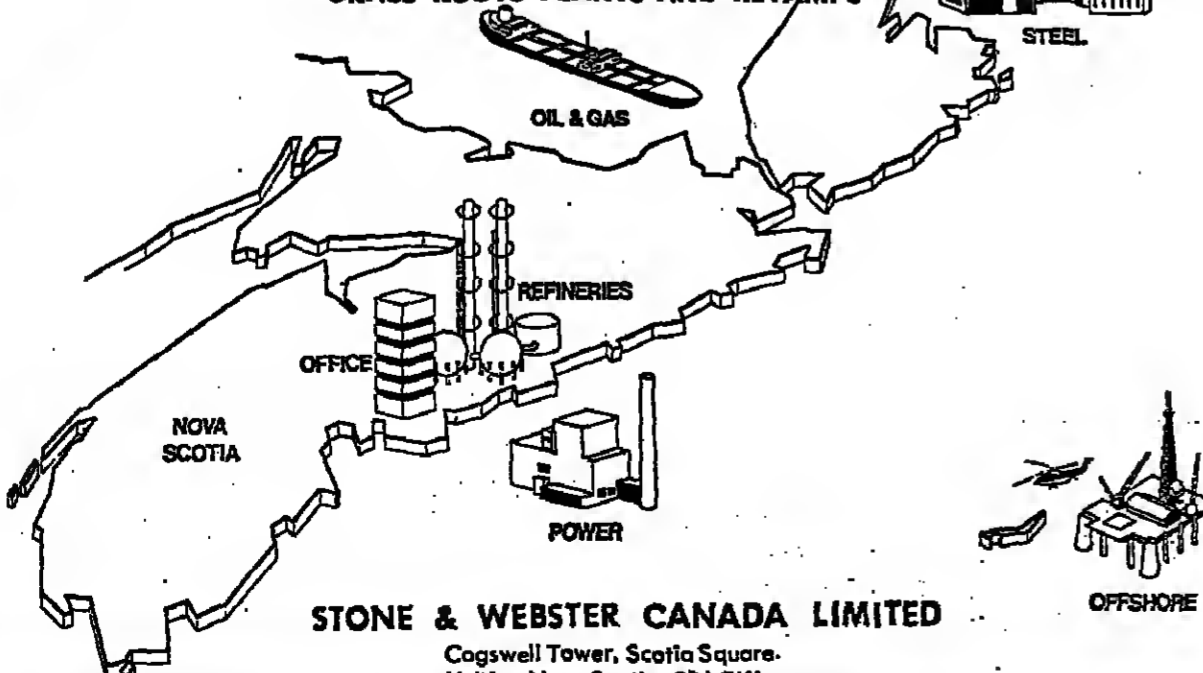
The budworm is not the only insect causing concern, however. The gypsy moth, one of the most destructive pests known in the U.S., has been found in south-western Nova Scotia. Its potential for damage to both forestry and agriculture is incalculable, say provincial Lands and Forests experts.

Exactly how all these many difficulties will be resolved will depend much on the recommendations of the Royal Commission, which is expected to take about a year to report. As far as Scott Maritimes' Mr Clark is concerned, the most important question it will have to answer will be spraying. "The commission has got to struggle with the question of protection. Either we protect our forests or we forget about the industry."

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Short cut to Canada

NOVA SCOTIA V

Poor metal prices have dashed hopes of a mining renaissance

Check to minerals sector as oil majors pull out

FOR A short while Nova Scotia appeared to be on the verge of a mining boom. Prospectors returned to search for more of the gold first found in the province way back in the 1860s. More significantly, a major tin deposit, the first of its kind in North America, was discovered. Lead and zinc were being mined; uranium prospects were encouraging. Hopes were high for other minerals.

For some people, mining held possibilities second only perhaps to the province's great expectations from offshore oil and gas. As one government official put it: "Mining seemed to be one of the most promising sectors of our economy." But just as a renaissance of circumstances has cast a lengthening shadow on earlier hopes of an imminent offshore bonanza so a set of similar and related factors have literally put the lid on hopes of a mining renaissance — for the time being anyway.

As with oil and gas, the world metals market has slumped and with the slump the mining companies, with squeezed cash flows and dwindling profits, are retrenching and re-considering their capital expenditure and exploration programmes.

In Nova Scotia the relationship between oil and minerals is particularly close. Indeed the major oil companies were at the centre of most of the mining exploration and development which has taken place in the province in the last decade.

Contribution

The major oil companies have made a tremendous contribution to the understanding of the mineral potential of Nova Scotia, says Mr Jack Garnett, Director of Mineral Resources at the province's Department of Mines and Energy. With the growing impetus to profits of the sharp rise in oil prices in the 1970s, the majors started diversifying on a large scale, especially into mining. They started competing head on with the traditional mining companies and moved into new areas, taking chances on the possibility of new geological models.

The Scotian-geological model attracted their attention. There had already been considerable study of the minerals possibilities of the province but until the big oil companies moved in research had been largely academic. What this early research suggested was that Nova Scotia, rather than belonging to the American continental geological formation, was in fact a chip off the old European

block. This in turn suggested that minerals not normally associated with that particular part of America were present in the province.

Shell Canada Resources, a subsidiary of the Royal Dutch/Shell group, was one of the majors to become a big player in the Nova Scotia mining scene. Its efforts were rewarded by the discovery of a tin deposit in Yarmouth County at the southern end of the province. "Shell has documented a large low-grade open pit deposit which is the only tin deposit of its kind in North America," Mr Garnett said. The stated reserves of the deposit are put at more than 30m tonnes of 0.2 per cent tin. "At a conservative recovery rate and a reasonable mining rate you can produce 2,500 tons of the metal a year over 15 years," he added.

The significance of the find is threefold. In broad economic terms the deposit represents about one per cent of the 200,000 tonnes annual tin market. For Canada, which imports about 5,000 tons of the metal a year, the deposit could have the country's tin imports for the next 15 years. For Nova Scotia, Shell's exploration venture, which started six years ago culminating with the tin discovery, appeared to set the stage for an even bigger exploration effort, since once one company strikes a deposit others usually swarm in for a piece of the cake.

Unfortunately, just as Nova Scotia was hopefully awaiting Shell's final evaluation of the tin project's feasibility, the oil company announced last February it was getting out of the minerals business altogether. "It was a major disappointment," said Mr Garnett. Suddenly all Nova Scotia's dreams of a surge in mining activity faded. "We are still hopeful for the longer term," Mr Garnett added.

"We have a viable tin deposit. Shell is seeking to sell its minerals business as a single package or a variety of packages to other investors — not necessarily to other major mining concerns but also to new investment syndicates interested in tin," he explained. "We feel someone will eventually pick up this deposit."

But Shell is not alone in dropping out of the Canadian minerals scene. Other major oil companies have signalled a hasty retreat out of the sector, partly because of the current depressed state of the market but also because, with declining or flattening earnings from oil, they are re-considering their earlier diversification policies and increasingly putting the

emphasis again on their traditional oil and gas business. Gulf is moving out of the uranium exploration business. In Nova Scotia Exxon's Imperial Oil subsidiary has suspended production at its Gays River lead and zinc mine. Another of the province's lead mines, the Yava Mine at Salmon River in Cape Breton owned by Barymin Exploration of Toronto, has gone into receivership.

Depressed

All this including a reduction in demand for the province's gypsum, reflecting the depressed state of the North American housing industry, cut the value of mineral production by between 15-20 per cent last year from C\$245m in 1980.

If the Yarmouth County tin deposit appeared to be, to quote Mr Garnett, "the tip of the iceberg signalling a surge in Nova Scotia's mining sector," hopes were also high for uranium. The discovery of uranium, although of less significance than tin, was also helping to transform the province into an attractive new mining target. Major oil companies, among them Elf Aquitaine of France, had made some finds. "They were talking of about 2m pounds of uranium," Mr Garnett explained, adding that if further exploration efforts increased this estimate to 6m or 8m pounds, the companies would probably have begun commercial feasibility studies of the deposits.

But all uranium exploration and mining activity in the province has come to a complete standstill. Last autumn the provincial government imposed a moratorium on uranium activity in Nova Scotia in the face of growing local opposition to uranium exploration and mining.

The uranium debate in the province is heated, provoking extremely strong feelings. It is also complex in that a variety of lobbies which have raised different if related objections to uranium mining. There is, of course, the broad environmental issue. Apart from the fact that the uranium deposits lie in an agricultural area of the province about 50 miles outside Halifax, there is among many Nova Scotians, a perception that the province, as an historically "have not" or poorer Canadian province, will put far more emphasis on natural resources development at the expense of the environment.

Questioned

Not that everybody is unhappy to see the presence of the big oil groups dwindle. Indeed few in Nova Scotia would argue against the broad goal of Canadianisation. The argument is about the method — and the method so far adopted by Ottawa is increasingly being questioned.

But if the picture for its mining sector looks bleak the province remains optimistic about the longer-term prospects. "The market picture is very weak over the next year or two," says Mr Garnett. "There is likely to be very little speculative capital. But we expect the turnaround in exploration in Nova Scotia and the Atlantic provinces to come much more quickly. New actors will come to look at the still poorly understood but significant potential out here. But," he adds, "if President Reagan keeps the money tight, what I'm saying is clearly a load of nonsense."

P. B.

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P. B.

Tourism has problems in its short season and weak infrastructure

Challenge of mass tourist market

ALL OVER Nova Scotia the blue and white number plates proclaim the province as Canada's ocean playground. The slogan is distinctly corny but eloquently reflects the importance, often overlooked, of tourism to the provincial economy.

The province is rich in tourist attractions: the beauty of its countryside or its dramatic and colourful coastline or the numerous historical sites, among them the remarkable reconstruction of Fortress Louisbourg in Cape Breton and the Citadel in Halifax.

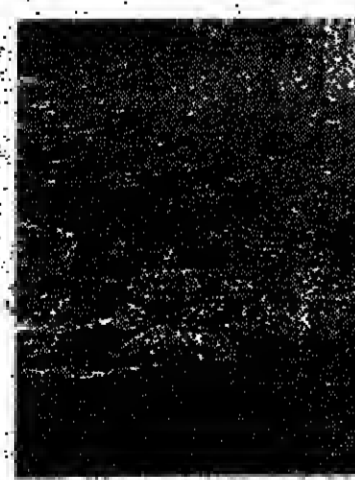
The travel industry, with gross receipts of C\$300m last year, accounts for about 7 per cent of the province's Gross Domestic Product. It employs nearly 18,000 people directly and an additional 9,000 indirectly through a variety of spin-off industries.

In some respects it is a highly modernised industry, boasting a centralised computer booking service called Check-In. Communications are efficient, with the international airport at Halifax, the modern airport at Sidney in Cape Breton, good roads and an abundance of harbours large and small.

Halifax is also transforming itself into a major North American convention centre. It already ranks as fourth largest convention centre in Canada after Toronto, Montreal and Vancouver. With the small offshore gas and possibly oil around, this convention business is likely to grow even faster.

But the industry, which is highly seasonal, also faces a host of problems ahead. Perhaps the biggest grumble of the sector is the lack of hotel rooms and accommodation. Although there are plans to build two new hotels in Halifax — one in conjunction with a proposed world trade centre and another as part of the city waterfront development — at peak seasons it is often impossible to find a room in the capital without a prior booking. In the countryside or along the coast there is an even more pronounced lack

of accommodation. High interest rates and a relatively short summer season have acted as a brake on much-needed tourist infrastructure development. Moreover, the changing types of visitors coming to Nova Scotia are putting pressure on the local authorities to adapt to the new demands of the industry.



Peggy's Cove—a favourite tourist spot typical of the province's unspoiled natural attractions

Although tourist receipts have been increasing by an average annual rate of 10 per cent, the number of people visiting Nova Scotia has not changed very significantly during the past five years. Indeed the peak of nearly 1.4m visitors in 1978 has never been regained, with the number during the past five years averaging about 1.2m.

Tourists in Nova Scotia have traditionally come by car. Although they are still coming in great numbers by this means, recently a significant number have opted for package air and bus tours or so-called fly-drive vacations. Because of the higher cost of petrol, North Americans in particular — and these make up the bulk of Nova Scotia's tourists — have been turning increasingly to mass transport. Nova Scotia is thus seeking to adapt its industry to this important new shifting

trend to maintain its market share of tourists from Canada and the New England states at the same time as increasing its penetration of new European and U.S. markets.

A recent study by the province's Department of Tourism highlights the major challenges facing this sector in coming years. First and foremost, the

province has also faced competition from elsewhere. Promotional and marketing budgets have not been adequate in competing with the advertising and promotional activities from other areas, causing Nova Scotia to lose its share of market particularly in the U.S., where recent airline deregulation has further heightened competition. In comparison to some resorts it is still expensive to travel to Nova Scotia. Moreover, the recent study points out the province has so far been unable

P. B.

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NOVA SCOTIA YOUR HEADQUARTERS IN ATLANTIC CANADA

MINES AND ENERGY

NOVA SCOTIA VI

Cape Breton Island is synonymous with coal, an industry now enjoying a revival

Big outlays to expand coal output

THE LOCAL television weatherman has a habit of differentiating between the weather in Nova Scotia and the weather in Cape Breton. Even in an age of air travel, modern highways and easy weather permitting—communications, Cape Breton, the large, strangely beautiful and most Scottish island at the eastern end of the province connected to the mainland by a modern causeway, is still perceived by many as a remote place inhabited by an eccentric, separate, insular breed of people living in archaic and depressed conditions.

"West of the causeway, people think that children run around without any shoes on, that homes have outside toilets," a Cape Bretoner remarked. But the island, the centre of one of the oldest coal mining industries in North America, hardly gives the impression of some dying community of an archaic industrial age. The city of Sydney is surprisingly neat, the people are good-humoured and proud of belonging to a community who regard themselves first as Cape Bretoners, then as Nova Scotians and lastly as Canadians—strictly in that order.

Cape Breton does have the highest unemployment rate in Nova Scotia—15 per cent compared to around 10 per cent in Halifax. The Sydney steelworks, once owned by Hawker Siddeley and today under provincial government control, belches purple smoke over the Sydney skyline, loses \$3m a week and currently appears to be on the brink of closure, threatening the jobs of some 2,000 local steelworkers.

But if the situation at the steelworks looks pretty hopeless, the coal mining industry is enjoying a revival. It, too, was on the verge of collapse 12 years ago. The mines, which started to be exploited way back in 1720, were taken over by the federal government in 1968. Ottawa set up the Cape Breton Development Corporation (Devco) with the idea of phasing out the coal industry over a 15-year period and establishing new industries to

replace coal mining. The mines, which in good times had been producing about 3m tonnes of coal a year, had seen production decline to 1.5m tonnes. "At that time no future was seen in coal," explained Mr Lloyd Creaser, Devco's director of zoning.

But just as the energy crisis began to be felt, Devco decided to revise its development strategy for Cape Breton. "In 1973 we decided not to phase out the mines but stabilize the industry and increase production. The result has been that we have brought production back to nearly 3m tonnes last year," Mr Creaser added.

The mines are unusual in that the huge coalfield, known to contain some 300 tonnes of highly volatile bituminous coal, lies under the Atlantic and could conceivably stretch out under the Cabot Strait as far as Newfoundland. Indeed coal mining under the ocean floor has been for decades a way of life on Cape Breton.

Upgraded

Three coal mines—Number 26 mine, Lingan and Prince—are now operating. The industry employs 4,800 people and is the largest employer east of Montreal. A new coal preparation plant has been commissioned to produce metallurgical coal while infrastructures have been upgraded. Hundreds of millions of dollars have already been spent and although the mines are still operating at a deficit, the losses have been sizably reduced. Since Devco was formed the accumulated mining losses have run in excess of \$200m.

In the next 10 years Devco plans to spend something like \$250m to expand the industry. "Our plans include the development of a new mine called the Donkin-Morien project with a production capacity of 5m to 5.5m tonnes a year. The project is now in place, with the site clearing completed. We are in the process of drilling two parallel tunnels to the coal seam under the ocean. They will be

two miles long before reaching the coal," says Mr Creaser.

He explained that the mine was identified following a three-year offshore drilling programme five miles from the coast similar to an offshore oil and gas programme. The Donkin-Morien project alone will cost more than \$350m and is scheduled to start going into production between 1986 and 1987.

A second project is still at the feasibility stage. This involves a further upgrading of the No 26 mine, which Devco hopes will produce in excess of 2m tonnes a year. "We are also looking at another mine now and the end of the 1980s we hope to be producing more than 6m tonnes a year and possibly as much as 8m to 10m tonnes," says Mr Creaser.

Devco at present sells half its 3m tonnes annual production to the local electricity utility, the Nova Scotia Power Corporation. The policy of the provincial government has been to seek to divorce itself from its heavy reliance on imported oil, replacing it with coal-fired generating plants. At one stage Nova Scotia relied on imported oil for about 65-70 per cent of its electricity. The proportion is already below 50 per cent and depending on the power corporation's programme Devco expects the utility's demand could well exceed 3m tonnes of coal by 1990—or about a third of the production capacity expected to be in place by then.

The high level of local demand for Cape Breton coal is a mixed blessing. The poor pricing terms of the contract between Devco and the utility continue to be the main drag on profitability. Although Devco has made, and continues to make, a major effort to expand into foreign markets, exports have been unable to offset the losses incurred from the coal sold to the utility.

Since Devco had to inherit the social costs of the coal operations when it took over the industry, the utility con-



Start of the twin parallel tunnels of the Donkin-Morien coalmine which will reach out two miles under the ocean bed to the seam

tract was largely responsible for the losses of between \$312m and \$315m last year. This is none the less an improvement considering the mines were losing about \$350m a year when the federal government took over in 1968.

Devco is also considering ambitious alternative synducel ventures involving coal. For eight months a consortium including Gulf Canada, Nova, Petro-Canada, Nova Scotia Resources and Devco has been studying a \$250m coal liquefaction project which would give employment to about 3,000.

Mr Roy Mclean, Devco's director of coal technology, says the partners in the venture are to take a decision very soon on what process to use for a synducel plant scheduled to be built next year. Currently under consideration, among other systems, is a Texaco gasifier as well as Mobil's technology to convert methanol to petrol, again using the Texaco gasifier.

Devco is also working with the Swedish company Carbolgel in the construction of a pilot project using Carbolgel's patented process to produce a jelly-like mixture consisting of 30 per cent water and 70 per cent coal. This mixture looks and behaves like oil and could replace oil in a generating plant with some modifications in the boiler. "The pilot plant will produce 4 tonnes of Carbolgel an hour which will be tested in a generating station in New Brunswick," Mr Maclean says.

If the tests prove successful Cape Breton might consider commercial production of Carbolgel. If it does, the commercial plant would be unique in Canada. Although other tests on similar processes are being undertaken elsewhere, nobody so far is producing this coal mixture, which burns like oil but because it contains water gives off less

heat on a commercial scale. For the past year and a half Devco in conjunction with Algas and Petro-Canada have been evaluating the feasibility of piping methane gas released in the coal seams to the surface in sufficient concentrations and quantity for commercial exploitation. Mr Maclean says this would also increase safety in the mines and increase productivity.

Spin-offs

The island's proximity to the Atlantic offshore oil and gas fields in the Grand Banks and Sable Island areas is also seen as offering attractive economic spin-offs. But so far offshore oil and gas have offered more promise than practical results. Indeed doubts abound when the gas—and it has yet to be determined that there are large quantities of gas out there—and the oil will come on stream. Whether they will come directly to Cape Breton is another question. After all, the big Hibernia oil field is off the coast of Newfoundland.

Moreover, there are many on Cape Breton who have mixed feelings about offshore development. "Yes, we do worry about the possibility of mass bedlam, a sort of California gold rush if there really is all that oil and gas. We of course want the jobs to fill the employment void that exists but we want this to happen without changing the quality of life. Cape Bretoners don't want anything bumping into them when they are out in the ocean in their fishing boats," one local remarked.

Coal on the other hand, is something familiar. For many on the island it is a religion. By actively modernising and expanding its coal industry Cape Breton is hedging its bets for the future, whatever oil and gas may or may not have in store for it.

P. B.

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Fishermen look for end to squabbling

THERE ARE two views of commercial fishing in Nova Scotia. With some of the biggest names in the business having faced bankruptcy in the past year, pessimists see the industry as the sinkhole of the Atlantic, a sure way of pouring good money after bad.

Optimists, eyeing the province's proximity to some of the world's richest fishing banks and the world's largest consumer market, view its long-term prospects as being better even those of offshore oil and gas.

The truth lies somewhere in the middle. But if the fisheries industry is to ride out its present financial difficulties and make structural improvements for the future some form of further government price support will probably be necessary.

Last autumn the federal Government advanced \$315m of price support to shore up the market and prevent distress selling. To have done so risked possible countervailing duty action by the U.S., which still accounts for nearly 70 per cent of eastern Canadian fish sales. Not to have done so, however, might have ensured the bankruptcy of companies like H. B. Nickerson and Sons of North Sydney, which owns 65 per cent of the country's largest groundfish processor, National Sea Products of Halifax.

Improvement

With the exception of the valuable scallop fishery which has been at the centre of the offshore boundaries battle over George's Bank off south-western Nova Scotia between Canada and the U.S., there has been some recent sign of price improvement. But as long as interest rates remain high and the Canadian dollar holds its present level, the industry will need at least some measure of federal assistance.

No long-term commitment is likely, however, until the task force under Mr Michael Kirby's deputy federal Cabinet Secretary has completed a review of the industry ordered earlier this year by Prime Minister Pierre Trudeau. The inquiry was a shock reaction to the realization that many of the high hopes held out for fishing five years ago when Canada proclaimed its 200-mile offshore economic zone had failed to materialise. The resource itself, decimated by massive, foreign over-fishing, had recovered faster and more abundantly than expected. But despite hundreds of millions of dollars of investment in new plants throughout the Atlantic region, the industry had not succeeded in profitably expanding its export markets.

Instead of a concerted approach to improving not only markets but product range and

quality control, the industry has been split by interminable battles over catch limits, fishing areas, size of vessel and the type of gear that should be used.

A state of almost open warfare has existed between inshore and offshore fishermen—those that stay close to home and use boats of less than 100 ft and those that go further afield in larger modern trawlers. Provinces have argued with the federal Government, which has the constitutional responsibility to regulate most aspects of fishing; companies have argued with unions and unions have argued among themselves.

The hickering has even extended on to the international stage, with Canada and the U.S. verbally warring over George's Bank and Canada feuding with the European Economic Community over tariffs and quota access to Canadian fish stocks.

The Kirby commission is supposed to iron out at least the worst of these destructive issues. Mr Ian Langlands, vice-president of planning for National Sea, takes a positive view of the commission's mandate and the longer-term future of his company and of the industry. "While it lost about \$30m on \$330m of sales last year, he said that only a slight movement in the right direction in interest rates, prices and exchange rates is necessary to restore a reasonable measure of profitability.

"We believe that someone like Michael Kirby, who does not have too many axes to grind, will be able to take an objective look at the industry and provide us with the kind of planning that can set us on a stronger commercial direction." One of the most serious weaknesses since 1977 has been a lack of such direction. Federal policy has attempted—unsuccessfully many now say—to answer two contradictory needs: one social, the other commercial. Fishing has been looked upon as a marginal support mechanism for small and often remote rural communities. It has not had the political backing to ensure better access to the markets of the EEC, without which its long-term commercial viability is very questionable.

Perhaps in frustration at not being able to crack the 15 per cent EEC tariff wall as well as other barriers there, Ottawa recently conceded a major principle in "buying" tariff concessions in exchange for limited re-entry of EEC fishing nations into Canada's 200-mile limit.

The move has pleased some of the inshore fishing groups, whose markets should improve but whose fish stocks will not

be raided, but it has angered the large offshore corporate industry. Particularly annoying, it says, is the direct link between the amount of raw fish that the Community is allowed to take and the volume of finished products gaining favourable tariff treatment.

The industry would have preferred something much less precise. Otherwise, it claims, Canada will be open to pressure for even greater concessions.

In the same way the trawler owners and large processors continue to object to Ottawa's policy of allowing the inshore fleet to sell under licence to Soviet and other foreign factory ships. They say the processed results of these "over the side" sales eventually end up in such places as Nigeria, the very areas to which Canada itself is anxious to sell.

"We realise that prohibiting these sales means an immediate loss of income for the fishermen but this may be necessary if we are ever to get the markets that will allow us to prosecute the resource ourselves.

Complements

"What we need is a long-term plan that faces this issue and complements our own efforts to improve productivity, efficiency and product quality and diversity," says Mr Langlands. He is confident that the Kirby Commission will be forthcoming, although he says it would be wrong to expect any very far-reaching proposals.

The recent difficulties have, however, provided a measure of shock treatment to fishing that should set it on a new course likely to trim it into a leaner and leaner industry. With it are likely to come major corporate changes, including a probable restructuring of the Nickerson-National Sea enterprise. Talks along these lines are already in progress.

One major problem area could be the important scallop fishery. It is represented by \$28.2m of the \$285.5m total of fish landed in Nova Scotia last year. Since then, however, prices have fallen from more than US\$4 a pound to only about \$3 and the product is under increased competition and market resistance because of high retail levels and imports from Iceland and other non-traditional U.S. supply sources.

The problem could get worse as a result of recent attempts to patch up the U.S.-Canada fish war. Having been accused of allowing over-exploitation of the George's Bank scallop beds, the U.S. is now planning to tighten up regulations both for its own fishermen and those on the Canadian side of the line. The size of scallop "meats" landed or brought into the country is being substantially increased.

L. W.

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CURRENCIES, MONEY and GOLD

FT UNIT TRUST INFORMATION SERVICE

£ shows late fall

Sterling showed a firmer tendency in currency markets yesterday following earlier hopes of a peaceful solution to the Falkland Islands crisis.

The dollar was slightly firmer overall with Euro-dollar rates rising on Tuesday and higher domestic rates due to published figures in the banking sector.

There was little activity within the European Monetary System yesterday with the D-mark remaining the strongest member. The Belgian franc was the weakest currency and figures released yesterday showed that the Belgian central bank spent the equivalent of Bfr 8.3bn during the previous week in support of the franc.

STERLING - Trade-weighted EMS (Bank of England) rose 90.2, unchanged from noon but up from 90.1 at the opening and 90.0 on Tuesday (88.2 six months ago). Three-month interbank 13 1/2 per cent (15 1/2 per cent six months ago). Annual inflation rate 11 per cent (12 per cent previous month).

EMS EUROPEAN CURRENCY UNIT RATES
Currency amounts in ECU against ECU rate April 14
Belgian Franc 4.3663 1.1382

Table with columns for currency, rate, and change. Includes Pound Sterling, U.S. Dollar, Deutschmark, etc.

Table with columns for currency, rate, and change. Includes Euro-Dollar, Canadian Dollar, etc.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 14)

Table showing 3 months U.S. dollars and 6 months U.S. dollars rates.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Table with columns for currency, rate, and change. Includes Sterling, U.S. Dollar, etc.

MONEY MARKETS

London clearing bank base lending rate 12 per cent (since March 12)
Short-term interest rates eased to the Loodoo money market yesterday, despite continuing nervousness about the Falkland Islands crisis.

Table with columns for currency, rate, and change. Includes Sterling, U.S. Dollar, etc.

THE POUND SPOT AND FORWARD

Table with columns for currency, rate, and change. Includes U.S., Canada, etc.

THE DOLLAR SPOT AND FORWARD

Table with columns for currency, rate, and change. Includes UK, Ireland, etc.

CURRENCY MOVEMENTS

Table with columns for currency, rate, and change. Includes Sterling, etc.

OTHER CURRENCIES

Table with columns for currency, rate, and change. Includes Argentina, etc.

Table with columns for currency, rate, and change. Includes U.S. Dollar, etc.

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AUTHORISED TRUSTS

Large table listing various authorized trusts and their details, including Abbey Unit Trst, Gairmont Unit Trst, etc.

WORLD STOCK MARKETS

Dow off 4.28 at mid-session

NEW YORK

Table of stock prices for various companies in New York, including columns for company names, prices, and changes.

INDICES

Table of market indices including Dow Jones, Standard and Poors, and NYSE All Common, with columns for index values and percentage changes.

Table of stock prices for various companies, including columns for company names, prices, and changes.

NEW YORK

Table of market indices for New York, including Dow Jones, Standard and Poors, and NYSE All Common.

STOCK PRICES were easier at mid-session on Wall Street. But they moved off earlier lows following the unexpected news that IBM's first-quarter earnings rose.

The Dow Jones Industrial Average had lost more than six points during the morning but was down 4.28 to 326.76 at midday. The NYSE All Common Index was 19 cents lower at 366.57.

IBM's earnings per share had declined to show a decline of about 10 cents a share. Instead, the computer maker's net rose to \$1.30 a share from \$1.25 last year.

IBM attributed the gain in strong growth to shipments and orders in the first three months of the year. Analysts said investors may read the company's good performance as a signal that the economy is starting to turn round.

However, the market is still under pressure from the prospect of a Fed rate hike. The lack of any compromise between Congress and the White House on the Federal Budget.

IBM moved onto the active list following its earnings report and gained 1/8 to 327. The stock traded as much as 1/2 in morning trading.

Among the NYSE most active stocks were Heublein, up 1/4 at 54.01, Mobil, unchanged at 52 1/2, Exxon, off 1/8 to 52 1/2, and Citicorp, ahead 1/4 at 52 1/2.

General Motors, which reported lower early April car sales, dipped 1/8 to 51. Chrysler eased 1/8 to 55, although it reported higher sales for the first-third of the month.

The NYSE 100 index was off 0.73 to 274.22 at noon on volume of 2.05m shares (2.19m).

Closing prices for North America were not available for this edition.

Canada Toronto stock prices fell slightly by mid-session with the Composite Index off one point to 1,633.3 on volume of 3.53m shares.

The Oil and Gas Index, which had advanced sharply to recent sessions, fell 24.2 to 2,913.2. On Tuesday the Alberta government announced a C\$5.4bn financial aid programme for the oil and gas industry.

Swire Pacific lost 10 cents to HK\$14.50. The Hang Seng Index lost 6.64 to 1,303.31.

Among the leaders, Cheung Kong dropped 20 cents to HK\$14.90 while Hongkong Electric and Hongkong Wharves each fell 5 cents to HK\$15.50 and HK\$14.55.

Swire Pacific lost 10 cents to HK\$14.50. The Hang Seng Index lost 6.64 to 1,303.31.

Elsewhere, Hongkong Telephone was down 20 cents to HK\$28.60. China Light was unchanged at HK\$12.40. Hang Lung was 5 cents up at HK\$4.45 and Swire Properties was 5 cents down at HK\$3.35.

Prices drifted in very quiet trading and the share market closed little changed on the day.

At the close, the All Ordinaries Index had eased 0.1 to 472.1. The industrial market lost 0.9 to 625.3, while the Resource Index gained half a point to 347.6.

A one-point rise in the ANZ Bank in its prime rate to 17.5 per cent had little noticeable effect on trade. They added that yesterday's rise would merely emphasize the depressing effect of the high level of interest rates.

News that the Jackson South No. 1 Well has been completed as an oil producer after a cleanup day of 90 barrels of oil a day came after the close of trading.

Other partners, Claremont rose 6 cents to 50 cents, Santos was unchanged at A\$4.50, as was Vamgas at A\$8, while CSR lost 3 cents to A\$3.12. Of the Yellow Bay Creek No. 2 oil discovery

participants, Crusader was up 24 cents to A\$3.50 and Bridge 16 cents to A\$2.70.

Germany Leading shares drifted lower through a lacklustre session, which saw the Composite Index fall 3.0 to 724.5.

With little fresh impetus from a falling early domestic bond market, banks closed steady with Deutsche at DM 328, down DM 1.50. Commerzbank was 1.30 off at DM 153 and Deutsche 1.80 off at DM 163.90.

Metals trading, starting after recent fluctuations, recovered DM 2 to DM 220.50 from DM 218.50 and DM 220.50. Lufthansa slipped DM 1.90 to DM 70.20.

In Engineering, Linde fell DM 0.80 to DM 291.50 and DM 2.50 to DM 178.50. Thyssen recently slipped DM 1.40 to DM 39.50, while in the market for full shares, DM 2.50 to DM 148.

Paris Share prices were firm in moderate trading with no special factors influencing sentiment. Cars continued Tuesday's trend with Peugeot up 77.50 to FF 183.2 and Renault higher at FF 220. Renault was 13 higher at FF 706 and Kieffer FR 0.1 higher at FF 236.5.

Other firm sectors included Foods, Financials, and Chemicals. Electricals, Engineering, and mixed. Metals were mixed with a firm bias.

Hong Kong Stocks ended the normal half-day Wednesday session lower with most lacklustre trading, with most leaders dropping back.

The Hang Seng Index lost 6.64 to 1,303.31.

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Other firm sectors included Foods, Financials, and Chemicals. Electricals, Engineering, and mixed. Metals were mixed with a firm bias.

Japan Gold shares closed firm in moderate two-way trading, reflecting the higher bullion price.

CANADA

Table of stock prices for various companies in Canada, including columns for company names, prices, and changes.

CANADA

Table of market indices for Canada, including Dow Jones, Standard and Poors, and NYSE All Common.

BEELGIUM (continued)

Table of stock prices for various companies in Belgium, including columns for company names, prices, and changes.

BEELGIUM (continued)

Table of market indices for Belgium, including Dow Jones, Standard and Poors, and NYSE All Common.

HOLLAND

Table of stock prices for various companies in Holland, including columns for company names, prices, and changes.

HOLLAND

Table of market indices for Holland, including Dow Jones, Standard and Poors, and NYSE All Common.

AUSTRALIA

Table of stock prices for various companies in Australia, including columns for company names, prices, and changes.

AUSTRALIA

Table of market indices for Australia, including Dow Jones, Standard and Poors, and NYSE All Common.

JAPAN (continued)

Table of stock prices for various companies in Japan, including columns for company names, prices, and changes.

JAPAN (continued)

Table of market indices for Japan, including Dow Jones, Standard and Poors, and NYSE All Common.

Financial Times Thursday April 15 1982. Includes a small advertisement for 'WORLD STOCK MARKETS' and a note about the paper's content.

FINANCIAL TIMES

Eurobond Quotations and Yields



The Association of International Bond Dealers

at 31st March 1982

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues.

These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month.

There is no single stock exchange for Eurobonds in the usually recognised sense; secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres.

Membership of the AIBD (which was established in 1969) comprises over 550 institutions from about 30 countries.

Eurobonds in March

BY OUR EUROMARKETS STAFF

THE EURODOLLAR bond market opened in March with the first ever issue for American Telephone and Telegraph, the U.S. telecommunications group. The \$400m seven-year bond, through CSFB, carried a 14 1/2 per cent coupon, the lowest seen in this sector for a year, indicative of the premier standing of the borrower.

The same week saw another newcomer to this sector when a \$55m five-year issue was launched for the Inter American Development Bank by Salomon Brothers. The issue was

awarded a coupon of 15 1/2 per cent and the issue price was par. Although a new borrower in the Eurodollar sector, the IADB was in 1981 the ninth largest issuer of bonds in the international market.

More new faces appeared the following week. On March 5 CSFB announced it was arranging a \$100m five-year offer for Spain, which had previously borrowed only in the D-mark sector. The issue, with a coupon of 15 1/2 per cent, was priced at par.

The same day saw the debut of Reynolds Metals in this market, a company which had only used private placements in the U.S. before. Not being considered a top quality borrower, this issue bore a hefty 16 1/2 per cent coupon, and was priced at a discount of 99 1/2 to yield 16.655 per cent. Despite the high yield, the issue was slow moving.

Early in March the bottom finally seemed to drop out of the zero coupon bond market when Japan's Minister of Finance asked Japanese securities houses not to sell any more such paper to resident investors.

Prices were marked down by more than a point in some cases, and no new zero coupon bonds were issued during the month.

The Eurosterling sector woke up again in March with the appearance of a £20m ten-year offer for Societes de Developpement Regional, the group of 15 regional development agencies in France. Led by S. G. Warburg, the issue's yield of 15 1/2 per cent was identical to that for the £35m five-year offer for Quebec, also through Warburg.

These two Eurosterling issues were followed by a £100m five-year bulldog bond for the World Bank through Baring Brothers.

Finally, as the month closed, Pemex, the Mexican state oil company came to the Eurosterling market to borrow \$30m through a five-year issue managed by Hambros Bank and Swiss Bank Corporation. The 16 1/2 per cent coupon, a full 100 basis points above the two earlier issues, reflects the current difficulties in selling Mexican paper.

This was also shown in the Eurodollar sector when Banobras, the Mexican public works financing bank, came to the market on March 18. The \$150m ten-year paper, led by S. G. Warburg, carried a high 17 1/2 per cent coupon at par.

Floating rate notes were again popular in March. During the first half of the month \$610m of floating rate notes were launched. Included in this was a \$200m issue for Credit

Agricole, the largest French bank, and a \$250m issue for Credit Lyonnais.

A massive \$1.180m worth of FRNs were issued in the latter half of the month. This amount included a \$350m offer for New Zealand, a \$250m issue for Malaysia, and a \$275m note for Caisse National des Telecom-

\$100m 15-year issue, through CSFB, was given a 15 1/2 per cent coupon adjustable every three years. Another adjustable coupon was given to the \$100m ten-year paper for Citicorp.

The secondary market in the Eurodollar sector during March did less well than the Swiss and German markets, rising by one

similar figures for the Swiss sector show a dramatic fall of 2 1/2 per cent, from 8 1/2 to 5 1/2.

The D-mark foreign bond primary market was still coping throughout March with the two-month calendar launched in February.

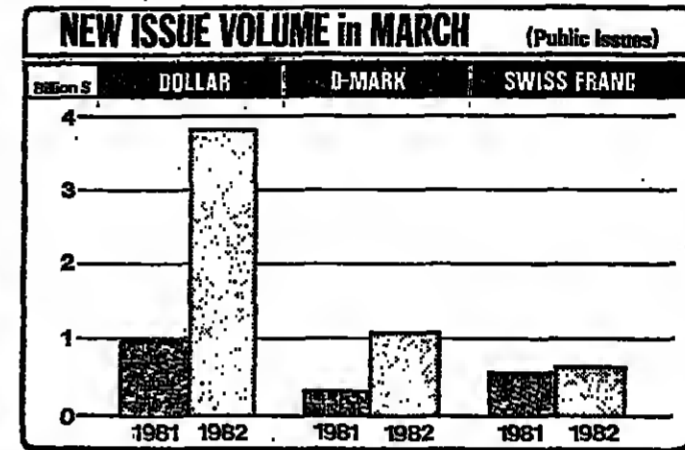
A DM 100m bond for Gaz de France through West LB which appeared instead of the scheduled Spanish borrower Renfe, was priced at 100 with a 9 1/2 per cent coupon two days early, due to strong demand.

The Kingdom of Sweden came to this market with a two-tranche DM 200m issue of ten-year paper, through Deutsche Bank. Both tranches carried coupons of 9 1/2 per cent.

A less favoured borrower was Ferrerie, the Italian state railways, whose DM 150m five-year paper was given a coupon of 10 1/2 per cent and priced to yield 10.7 per cent by Commerzbank.

In Switzerland Australia came to the Swiss franc foreign bond market with a package deal which included a SwFr 500m private placement through Union Bank of Switzerland, and was shortly increased to SwFr 400m. Also included in the package was a SwFr 100m public issue through Credit Suisse. The already low 8 1/2 per cent coupon on this issue was cut to 8 1/4 per cent, so well liked is the borrower in this market.

The cutting of customer deposit rates in Switzerland six or seven times during the month left the market at the end of March in a very buoyant mood.



communications (CNT), increased from an original \$200m.

Another indication of the market dithering over the outlook for interest rates was the popularity of adjustable rate bond issues. Gulf Oil came to the market with a \$175m 12-year bond, whose 14 1/2 per cent coupon could be changed at the borrower's option every three years.

Similarly, GMAC's latest

point over the month compared to a 2 1/2 point rise in the D-mark foreign bond sector, and a 2 1/2 point rise in Swiss foreign bonds.

The rise in the six-month Eurodollar interest rate over the month from 15 to 15 1/2 per cent helps to explain this.

In Germany the six-month interest rate fell from 10 per cent on March 1 to 9 1/2 per cent at the end of the month. The March in a very buoyant mood.

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—Australia	II	—Panama	II	Kroner (Denmark)	IV
—Austria	II	—Papua	II	Kroner (Norway)	IV
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The table of quotations and yields gives the latest rates available on March 31st, 1982. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete.

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will take in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

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 Telex: General: 883412 Eurobond: 884303

Main table containing financial data for US DOLLARS-AMSTERDAM (CONTINUED) with columns for instrument type, amount, and date.

US DOLLARS-AMSTERDAM (CONTINUED) US DOLLARS-AMSTERDAM (CONTINUED) US DOLLARS-AMSTERDAM (CONTINUED)

Continuation of the financial data table, including various instrument types and their corresponding values and dates.

Main table containing financial data, organized into columns for various categories like 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)'. Each column contains multiple rows of data with columns for 'ISSUER', 'Maturity', 'Rate', 'Yield', 'Price', 'Bid', 'Ask', 'Volume', 'Comments'.

Continuation of the financial data table from the previous section, containing similar columns for 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)', 'NEW DOLLARS-PLACING RATE (CONTINUED)'. Each column contains multiple rows of data with columns for 'ISSUER', 'Maturity', 'Rate', 'Yield', 'Price', 'Bid', 'Ask', 'Volume', 'Comments'.

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31st MARCH 1982

WestLB Euro-Deutschmarkbond Quotations and yields

Advertisement

Table of bond quotations and yields for various countries including Australia, Austria, Belgium, Canada, Denmark, France, Germany, Greece, Ireland, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, and USA.

Table of bond quotations and yields for various countries including Belgium, Canada, Denmark, France, Germany, Greece, Ireland, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, and USA.

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WestLB SD Certificates (Schuldschein-Index)

5 years maturity: 9.30%

Table of WestLB SD Certificates (Schuldschein-Index) with columns for Issuer, Maturity, Yield, and other details.

Advertisement for WestLB, including contact information for Düsseldorf, London, and Luxembourg offices, and a list of leading marketmakers in Eurobonds.

Table of WestLB Euro-Deutschmarkbond Yield Index for March 1982 (9.77%) and February 1982 (10.22%), listing various bonds and their yields.

Financial market data tables including 'SPECIAL DIVIDENDS', 'CONVERTIBLES-AMERICA', 'CONVERTIBLES-ASIA', 'CONVERTIBLES-EUROPE', and 'CONVERTIBLES-OTHERS'. Each table lists various financial instruments with columns for issue name, price, yield, and maturity.

WestLB Euro-Deutschmarkbond Quotations (Continued)

Table of WestLB Euro-Deutschmarkbond quotations. Columns include Issue, Middle Price, Current Yield, Yield to Maturity, and Rating. Lists various international bonds such as '7 1/2% Statoensborg 77/85' and '10% Telecom 79/85'.

Table of convertible bonds and other financial instruments. Columns include Issue Name, Price, Yield, and Maturity. Includes entries like '16 1982 THE HOLLAND ELECTRIC' and '20 1982 THE HOLLAND ELECTRIC'.

INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolios

Quotations & yields as at 31st March, 1982

Table for SOCIETE GENERALE De BANQUE BANQUE GENERALE Du LUXEMBOURG. Columns include Funds, Price, Flrst Issue Price, Yield %, Date Div., and various performance metrics for different fund types.

Arabic calligraphic signature or stamp at the bottom left of the page.

COMMODITIES AND AGRICULTURE

Companies and Markets

Danes report 17th foot and mouth case

By Hilary Barnes in Denmark THE seventeenth case of foot and mouth disease was confirmed on the island of Funen yesterday. The new case was in the same general area as the other 16 cases.

Record Soviet grain imports

WASHINGTON—Soviet grain imports will be a record 4.4m tonnes in the current marketing year to June 30 and Moscow has contracts or commitments for almost all its needs, according to the U.S. Agriculture Department.

Improved cocoa use expected

COCOA VALUES rose in London yesterday as traders in three importing countries forecast that first quarter 1982 grinding figures, due to be announced soon, will be higher than those for the same period last year.

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EEC sugar sales surprise

BY OUR COMMODITIES STAFF MOST SUGAR dealers were taken by surprise yesterday when the EEC Commission granted export licences on only 500 tonnes of white sugar at its regular weekly tender—the lowest authorised tonnage of the season.

World Sugar Journal has raised its production forecast for 1981-82 by 247,000 tonnes to 94,306,000 tonnes and its export forecast by 1,392,000 to 29,372,000 tonnes.

Improved cocoa use expected

COCOA VALUES rose in London yesterday as traders in three importing countries forecast that first quarter 1982 grinding figures, due to be announced soon, will be higher than those for the same period last year.

should be announced on Friday morning. Relatively cheap supplies of cocoa beans and sugar over the past year has helped the continuing growth in U.S. chocolate consumption, they noted.

Soviet meat output below target

SOVIET MEAT production was down 1 per cent and milk production declined 4 per cent during the first quarter of 1982, according to government statistics published yesterday.

Published reports have said the harvest may have been as low as 150m tonnes. The Soviets, breaking precedent, did not publish a figure, apparently because it would have been politically embarrassing.

Indian tea auctions threatened

By P. C. Mahanti in Calcutta TEA AUCTIONS in Calcutta as well as in Siliguri are threatened with disruption by the imposition of a 4 per cent central sales tax which took effect from April 1.

Noranda closes copper mine

VANCOUVER—Noranda Mines said it will close its Granite copper mine in central British Columbia for one year from July 2 and that 300 employees will be laid off as a result.

Sluggish cotton trade forecast

WASHINGTON—Weak demand in the face of large world cotton supplies will lead to a build-up of world cotton stocks in the 1981/82 marketing year, the U.S. Agriculture Department said.

Prospects sour for Spanish lemons

BY A CORRESPONDENT AMONG THE many kinds of citrus Spain sends to Britain, the one that boasts the highest ratio of exports to output is the lemon. Of the 341,563 tonnes of lemons grown in Spain last year, slightly more than 240,000 tonnes, or 70.3 per cent, were sold abroad, just beating the figure of 69.3 per cent for soft citrus like satsumas and mandarins, and well ahead of the sweet orange proportion of 44.1 per cent.

planting trees too close together—a practice brought about by the smallness of holdings and dependence on family and peasant labour.

Sluggish cotton trade forecast

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stocks projection for 1981/82 at 27.5m bales, well above the 22.6m bales in 1980/81.

Sluggish cotton trade forecast

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Production in the current season is forecast at 2.38m bales, down from 2.43m produced last season.

BRITISH COMMODITY MARKETS

Table with columns for BASE METALS, COPPER, ZINC, ALUMINUM, TIN, NICKEL, COFFEE, SOYABEAN MEAL, and GRAINS. Includes prices for various grades and quantities.

PRICE CHANGES

Table showing price changes for various commodities including Metals, Cotton, Wool, Potatoes, Meat/Vegetables, and Soyabean Meal.

AMERICAN MARKETS

Table showing Tuesday's closing prices for various commodities including Wheat, Soybeans, and other agricultural products.

EUROPEAN MARKETS

Table showing European market prices for commodities like Wheat, Soybeans, and other agricultural products.

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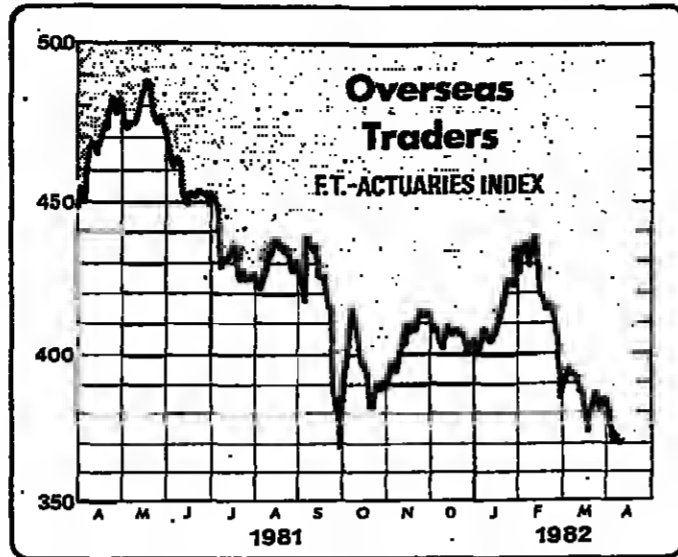
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Brighter day in markets but underlying tone remains uncertain—Index up 2.8 and Gilt-edged improve

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sharply higher annual profits and dividend. Also reflecting better-than-expected Bruntons...

the annual results and moved between extremes of 374p and 358p before closing a net 5 lower at 360p.

London stock markets were looking a little brighter yesterday. Leading shares staged a rally, albeit largely technical...

consideration of the disappointing annual results. Leading Buildings steadied after a cautious opening...

The announcement that acceptance received in connection with Mr Holmes & Court's TVW Enterprise's bid totalled nearly 89 per cent...

Movements in Textiles usually favoured holders. Courtaulds added a penny to 38p, while ILLINGWORTH...

As a result, trading conditions remained extremely slow. Nevertheless, leading shares generally ended the day a little better...

Blackwood Hodge highlighted a subordinated engineering sector, jumping 7 to 24p in response to the better-than-expected preliminary results...

Golds improve
A strong performance by the bullion price—finally \$8.25 up at \$385 an ounce reflecting growing concern over the Middle East...

Notable among the medium lower-priced stocks were Milroyer, 36 up at 192 1/2 high of 532p, Welkom, which put on 38 to 452p, and Unilever, 22 firmer at 47p.

Table of Financial Times Stock Indices with columns for April 14, 13, 8, 7, 6, 3, and year ago.

Empire suspended
Dealings in recent speculative favourite Empire Stores were suspended at a 1982 peak of 92p at the outset of business pending an announcement...

Leading Properties traded quietly around the overnight levels before drifting off to close with modest losses on balance...

South African Financials made progress, boosted by the strength of Golds, while in the London-registered issues Rio Tinto-Zinc closed 1/2 up...

Table of Highs and Lows for various stocks like Govt. Secs, Fixed Int., Industrial Ord., etc.

Cawoods volatile
Supported up to a 1982 peak of 300p initially on hopes of early news of the bid approach, Cawoods plunged dramatically...

Burmah Oil results
Burmah's good preliminary results, announced soon after midnight changed sentiment in Oils which, up to that point had been drifting easier...

Platinum and Diamonds improved in line with other South African issues, Rustenberg adding 10 to 188p and De Beers 6 to 233p.

Table of S.E. Activity with columns for High, Low, and other metrics for various sectors.

Other Store majors finished a shade firmer for choice after another subdued trade. British Home rose 4 to 156p, while House of Fraser added a couple of pence to 154p...

Among Overseas Traders, Gill and Duffus, a depressed market of late following substantial commodity trading losses in the Far-East and the consequent disappointing preliminary results...

In Golds, Poseidon put on 6 to 96p while Coals were featured by UMAL, 5 better at 90p. Demand for Traded Options improved slightly but business was still well below the levels established in recent weeks...

Table of Recent Issues Equities with columns for Issue Price, Amount, Date, and Stock.

Table of Fixed Interest Stocks with columns for Issue Price, Amount, Date, and Stock.

Table of Rights Offers with columns for Issue Price, Amount, Date, and Stock.

Table of Active Stocks with columns for Stock, Closing Price, Day's Change, and other metrics.

Table of Tuesday's Active Stocks with columns for Stock, No. of Shares, and other metrics.

Table of Options with columns for First Deal, Last Deal, and other metrics.

Advertisement for The Queen's Awards for Export and Technology. Includes logos, text about the awards, and contact information for R.W. Roe.

Table of New Highs and Lows for 1982.

Large table of FT-Actuaries Share Indices, including Equity Groups, Fixed Interest, and various index values.

INSURANCES

Table of insurance companies and their products, including Ashby Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., and various international and domestic policies.

INSURANCE & OVERSEAS MANAGED FUNDS

Table of insurance and managed funds, including Legal & General Prop. Fd. Mgrs. Ltd., Phoenix Assurance Co. Ltd., and various international and domestic funds.

Table of insurance and managed funds, including Sun Alliance Insurance Group, Sun Life of Canada (UK) Ltd., and various international and domestic funds.

Table of insurance and managed funds, including Sun Life of Canada (UK) Ltd., Sun Life of Canada (UK) Ltd., and various international and domestic funds.

Table of insurance and managed funds, including Sun Life of Canada (UK) Ltd., Sun Life of Canada (UK) Ltd., and various international and domestic funds.

OFFSHORE AND OVERSEAS

Table of offshore and overseas managed funds, including Sun Life of Canada (UK) Ltd., Sun Life of Canada (UK) Ltd., and various international and domestic funds.

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NOTES
Prices are shown in column indicated.
Yield % shown in column after all taxes...

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

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BRITISH FUNDS

Table of British Funds including Treasury Funds, Five to Fifteen Years, and Over Fifteen Years.

Index-Linked & Variable Rate

Table showing Index-Linked and Variable Rate funds.

INT. BANK AND O'ESAS GOVT. STERLING ISSUES

Table of International Bank and Overseas Government Sterling issues.

CORPORATION LOANS

Table of Corporation Loans.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans.

LOANS

Table of general Loans.

LOANS—Continued

Continued Table of Loans, categorized into Financial and Building Societies.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails.

AMERICANS

Table of American stocks.

UNDATED

Table of undated stocks.

INDEX-LINKED & VARIABLE RATE

Table of index-linked and variable rate funds.

INT. BANK AND O'ESAS GOVT. STERLING ISSUES

Table of international bank and overseas government sterling issues.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

LOANS

Table of general loans.

BANKS & H.P.—Cont.

Continued Table of Banks and Home Production (H.P.).

HIRE PURCHASE, ETC.

Table of Hire Purchase and other financing services.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads.

CANADIANS

Table of Canadian stocks.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase services.

CHEMICALS, PLASTICS—Cont.

Continued Table of Chemicals and Plastics.

DRAPERY AND STORES

Table of Drapery and Stores.

ELECTRICALS

Table of Electricals.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools.

ENGINEERING—Continued

Continued Table of Engineering firms.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, and other consumer goods.

INDUSTRIALS (Misc.)

Table of various Industrial companies.

HOTELS AND CATERERS

Table of Hotels and Caterers.

INDUSTRIALS (Misc.)

Continued Table of various Industrial companies.

HOTELS AND CATERERS

Continued Table of Hotels and Caterers.

FOOD, GROCERIES—Cont.

Table of Food and Groceries items.

HOTELS AND CATERERS

Table of Hotels and Caterers.

INDUSTRIALS (Misc.)

Table of various Industrial companies.

HOTELS AND CATERERS

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Table of various Industrial companies.

X-MONEY MARKETS—FOREX—MONEY MARKETS—FOREX—MONEY M.A.B.

Bigger bank Bigger limits Bigger turnover.

Bank of New South Wales - Australia's largest banking group... The Commercial Bank of Australia Limited...

Bank of New South Wales, London, is now dealing on a bigger scale and is able to handle even more deals than before...



CHEMICALS, PLASTICS

Table of Chemicals and Plastics.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools.

مركزنا للاعمال

INDUSTRIALS—Continued

Table of industrial stocks including Johnson & Johnson, Amgen, and various pharmaceutical and chemical companies.

LEISURE—Continued

Table of leisure stocks including Leisure World, Leisure World of America, and other recreational companies.

PROPERTY—Continued

Table of property stocks including various real estate investment trusts and land development companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including various equity and income funds.

OIL AND GAS—Continued

Table of oil and gas stocks including major energy companies like Exxon, Shell, and BP.

SAITAMA BANK advertisement with logo and contact information for Tokyo, London, and San Francisco branches.

MINES—Continued

Table of mining stocks categorized by region: Central African, Australian, and Tins.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including Harley-Davidson, Honda, and various aircraft manufacturers.

SHIPPING

Table of shipping stocks including major shipping lines and port authorities.

SHOES AND LEATHERS

Table of shoes and leather goods stocks including various footwear manufacturers.

SOUTH AFRICANS

Table of South African stocks including various local companies.

TEXTILES

Table of textile stocks including various fabric and apparel manufacturers.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks including major media companies.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including various media and service companies.

PROPERTY

Table of property stocks, including a second listing of real estate investment trusts.

TOBACCO

Table of tobacco stocks including major tobacco companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including various investment vehicles.

OVERSEAS TRADERS

Table of overseas trader stocks including various international trading companies.

RUBBERS AND SISALS

Table of rubber and sisal stocks including various commodity producers.

TEAS

Table of tea stocks including various tea plantation companies.

MINES

Table of mining stocks, including a second listing of various mineral producers.

Far West Rand

Table of Far West Rand mining stocks including various gold and platinum producers.

O.F.S.

Table of O.F.S. (Overseas Finance and Securities) stocks including various international funds.

Oil and Gas

Table of oil and gas stocks, including a second listing of energy companies.

INSURANCE

Table of insurance stocks including various life and general insurance companies.

LEISURE

Table of leisure stocks, including a second listing of recreational companies.

NOTES

Notes section providing additional information and disclaimers regarding the stock data.

REGIONAL MARKETS

Table of regional market data for various countries and regions.

OPTIONS

Table of options data including 3-month call rates for various stocks.

Finance

Table of finance data including interest rates and other financial indicators.

Diamond and Platinum

Table of diamond and platinum stocks including various precious metal producers.

